

Sefalana
Integrated
Annual
Report

2025



Creating
value through
Diversification

 **Sefalana**
GROUP
Your basket of opportunities



WELCOME TO OUR INTEGRATED ANNUAL REPORT



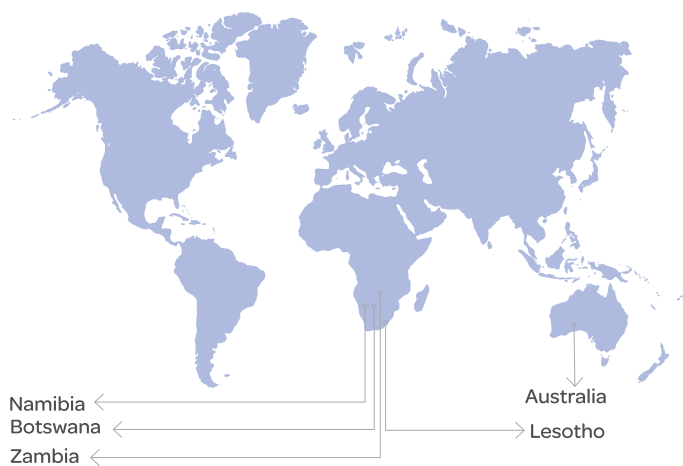
OUR ACHIEVEMENTS

After decades of notable milestones, we celebrate 51 years of innovation and value creation.



OUR VALUES

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



OUR INTEGRATED REPORT

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

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OUR
INTEGRATED
REPORT



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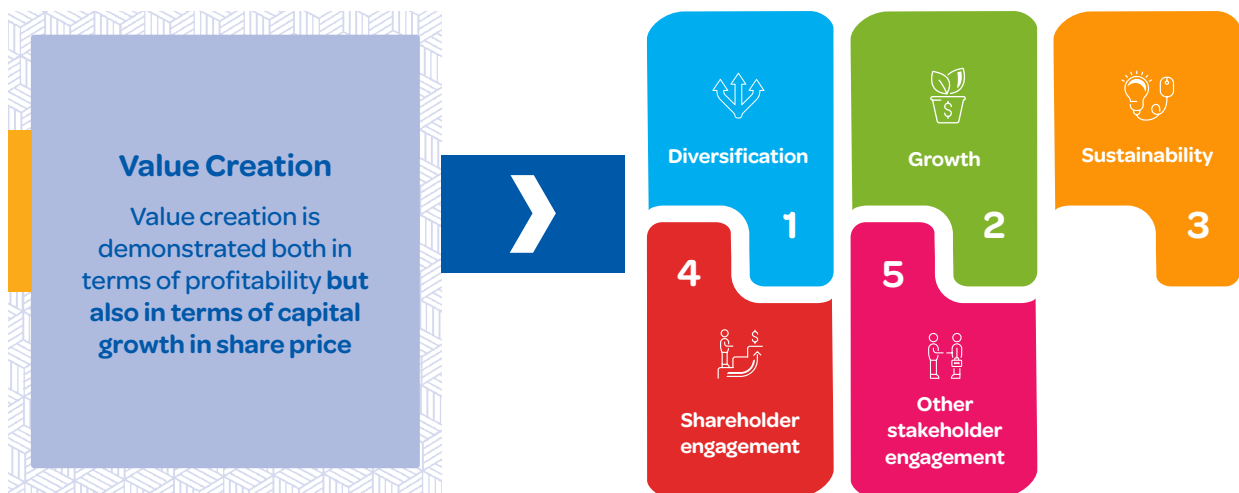
Our Integrated Report



The International Integrated Reporting Council (IIRC) was a worldwide group of regulators, investors, companies, standard setters, accountants and Non - Governmental Organisations (NGOs). **The coalition's mandate promoted communication about value creation - preservation and erosion as the next step in the evolution of corporate reporting. Over 75 countries currently have embraced this form of reporting to some extent.**

As of August 2022, the International Accounting Standards Board (IASB), which is the standard setting board for the International Financial Reporting Standards (IFRS® Accounting Standards) assumed responsibility for the Integrated Reporting Framework which was developed by the IIRC. The IASB will work together with the International Sustainability Standards Board (ISSB) to agree on how to build onto the Integrated Reporting Framework (IRF) and incorporate it into their standard setting projects and requirements.

Enhanced reporting



The cycle of integrated reporting and thinking results in efficient and productive capital allocation, acting as a force for financial stability development.



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



In 2024, the IASB issued a joint statement on the significance of the Integrated Reporting Framework as further developed in 2022. Formal feedback on agreed future priorities is expected in late 2025.



Objectives of an Integrated Report

An Integrated Report should be a concise communication of material information about how an organisation's strategy, governance, performance and prospects, in the context of its external environment, leads to the creation of value over the short, medium and long term.

We believe that our report enables our Shareholders and potential investors to gain an appreciation for exactly this, as we implement best practice each year, enhancing the manner in which we report.

01
OUR INTEGRATED
REPORT



Our Integrated Report

(continued)

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

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

OBJECTIVE To improve the quality of information available to providers of financial capital to enable a more efficient and productive allocation of capital	Each year we enhance the level of reporting in our Integrated Annual Report through additional disclosure and with cognisance to latest trends in worldwide Corporate Governance. We include the Combined Code (UK Corporate Governance Code) as one of our benchmarks together with King IV against which we measure our compliance as detailed in the Corporate Governance Report. RESPONSE	OBJECTIVE To promote a more cohesive and efficient approach to corporate reporting that draws on different reporting strands and communicates the full range of factors that materially affect the ability of the organisation to create value over time Material Matters to the Group are detailed later in this section of the report. Refer also to the Group Managing Director's report on page 42 and the Group Finance Director's report on page 58 which capture the material aspects of our business and sets out the key risks and factors affecting our ability to generate returns for our Shareholders. RESPONSE
OBJECTIVE To enhance accountability and stewardship for the broad base of capitals (financial, manufactured, intellectual, human, social and relationship, and natural) and promote understanding of their interdependencies	This is entrenched in the way we do business. This is demonstrated in our business model on page 12. Interdependencies of the various forms of capital are also illustrated on page 12. RESPONSE	
OBJECTIVE To support integrated thinking, decision – making and actions that focus on the creation of value over the short, medium and long term The Group has regular Strategy workshops to ensure the overall objectives of the Group are identified and articulated. All relevant stakeholders are considered and decisions are made accordingly. Shareholder value is therefore augmented in line with this overall strategy as it is inherent in the way we do business. Refer to the Group Finance Director's report on page 58 for further analysis. RESPONSE	OBJECTIVE To explain to Shareholders how an organisation creates value over time Formal detailed presentations are made to Shareholders every six months to provide an update on how the business is performing and to give an insight into the Group's plans for growth. Value creation is demonstrated both in terms of profitability but also in terms of capital growth in share price. The relative illiquidity on the Botswana Stock Exchange has posed a challenge for capital growth in share price but this is a common feature across the exchange. Our focus is therefore extended to softer matters of interest to Shareholders such as employment creation and building capacity in the countries in which we operate. On two occasions in the last eleven years we have carried out a Rights Issue program whereby a Circular was issued to Shareholders explaining our vision and plans for the Group. In both instances the Rights Issue shares were oversubscribed demonstrating the effectiveness of our communication to Shareholders regarding value creation and the confidence placed in the Executive team to consistently deliver growth and return on invested capital. RESPONSE	

Further enhancing Integrated Reporting through ESG reporting

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

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

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

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

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

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



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



How our Integrated Report comes together



On an on - going basis, we aim to provide our stakeholders with the confidence and assurance that Sefalana is a well-managed and responsible Group. **This report provides an overview of our strategy and performance in the context of a complex and constantly changing operating environment and shares our plans to optimally position our business for the future.**

Outlook

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

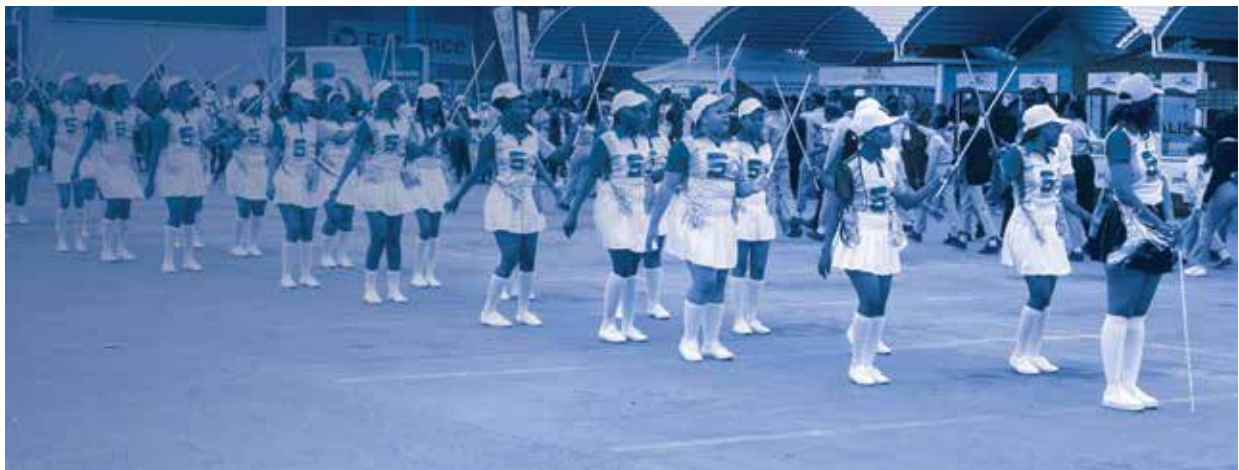
As such, our objective is to position our Group for long-term success, through growing our business from its centre with all our key stakeholders in mind.



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

How it all comes together

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Material Matters

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

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

Board Responsibility Statement

Jennifer Marinelli
Board Chair
Independent Non-Executive Director

Chandra Chauhan
Group Managing Director - Executive

Mohamed Osman
Group Finance Director - Executive

Bryan Davis
Sefalana Cash and Carry Namibia
Managing Director – Executive

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

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

Paula Disberry
Independent Non-Executive Director
and Risk Committee Chair

Gerhard Scheepers
Sefalana Cash and Carry Botswana
Managing Director – Executive

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

Keith Jefferis
Independent Non – Executive Director
and Nominations Committee Chair

Sipho Ziga
Independent Non – Executive Director

How our Integrated Report comes together

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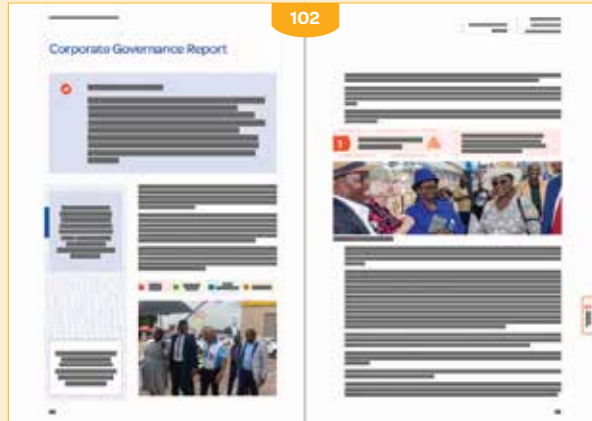
Objectives

Risk management disclosure



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Corporate Governance Report



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Forms of Capital



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Our Business Model

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

Reporting performance transparently

Chair's Report

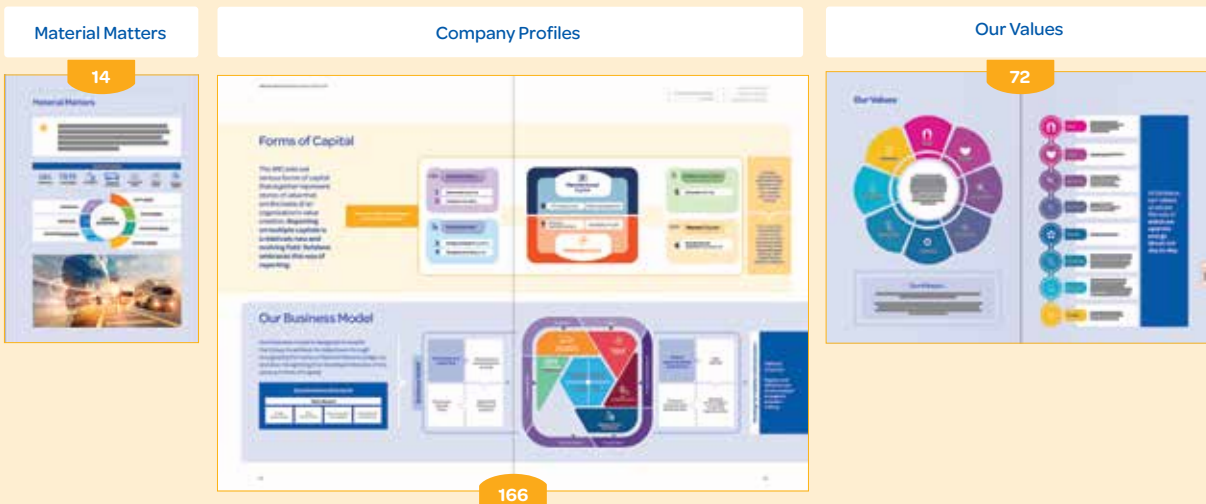


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Group Managing Director's Report

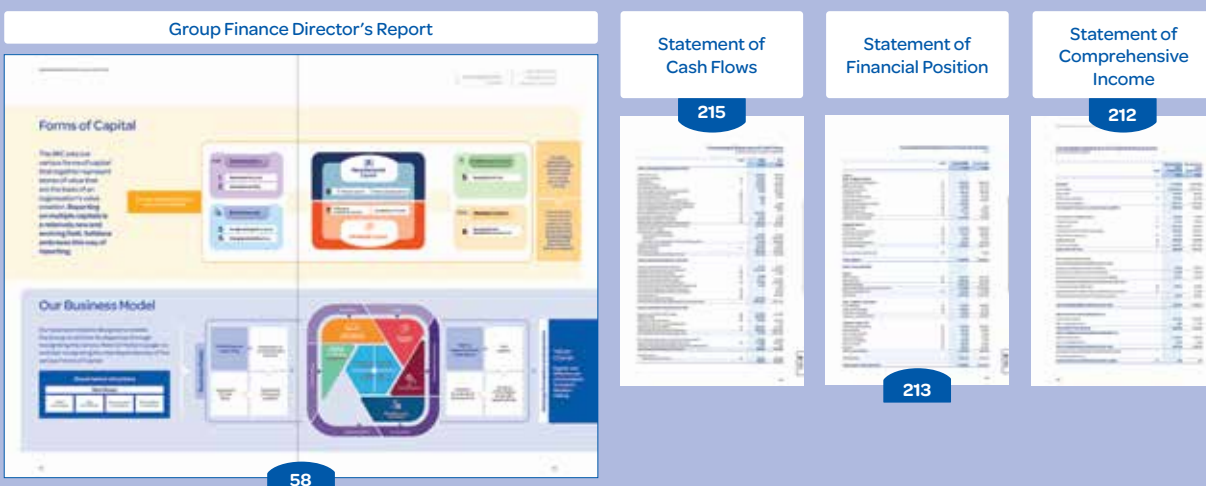


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Integrated Annual Reports

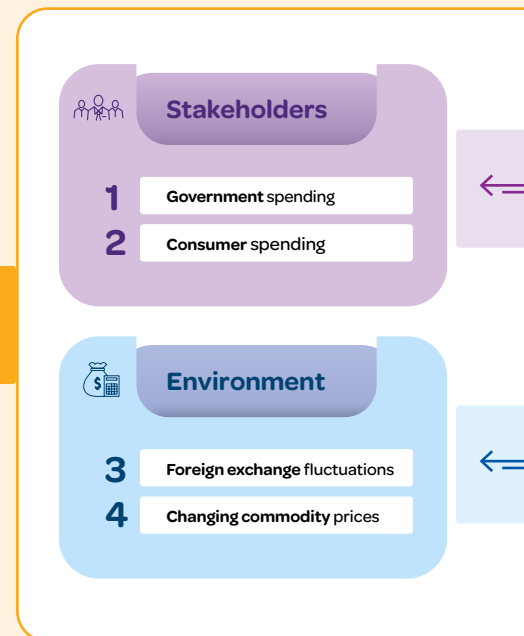
Enhanced disclosure every year



Forms of Capital

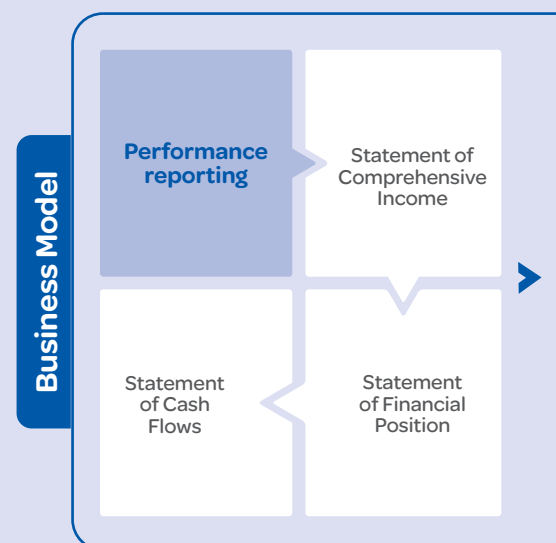
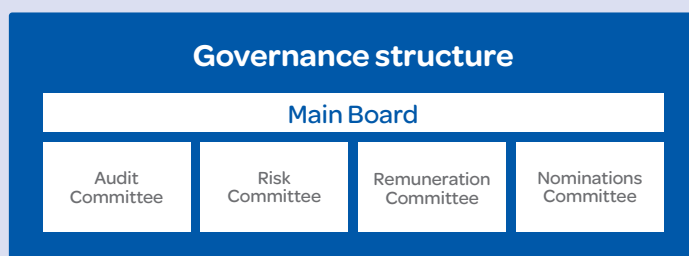
The IIRC sets out various forms of capital that together represent stores of value that are the basis of an organisation's value creation. **Reporting on multiple capitals is a relatively new and evolving field. Sefalana has embraced this way of reporting for a number of years.**

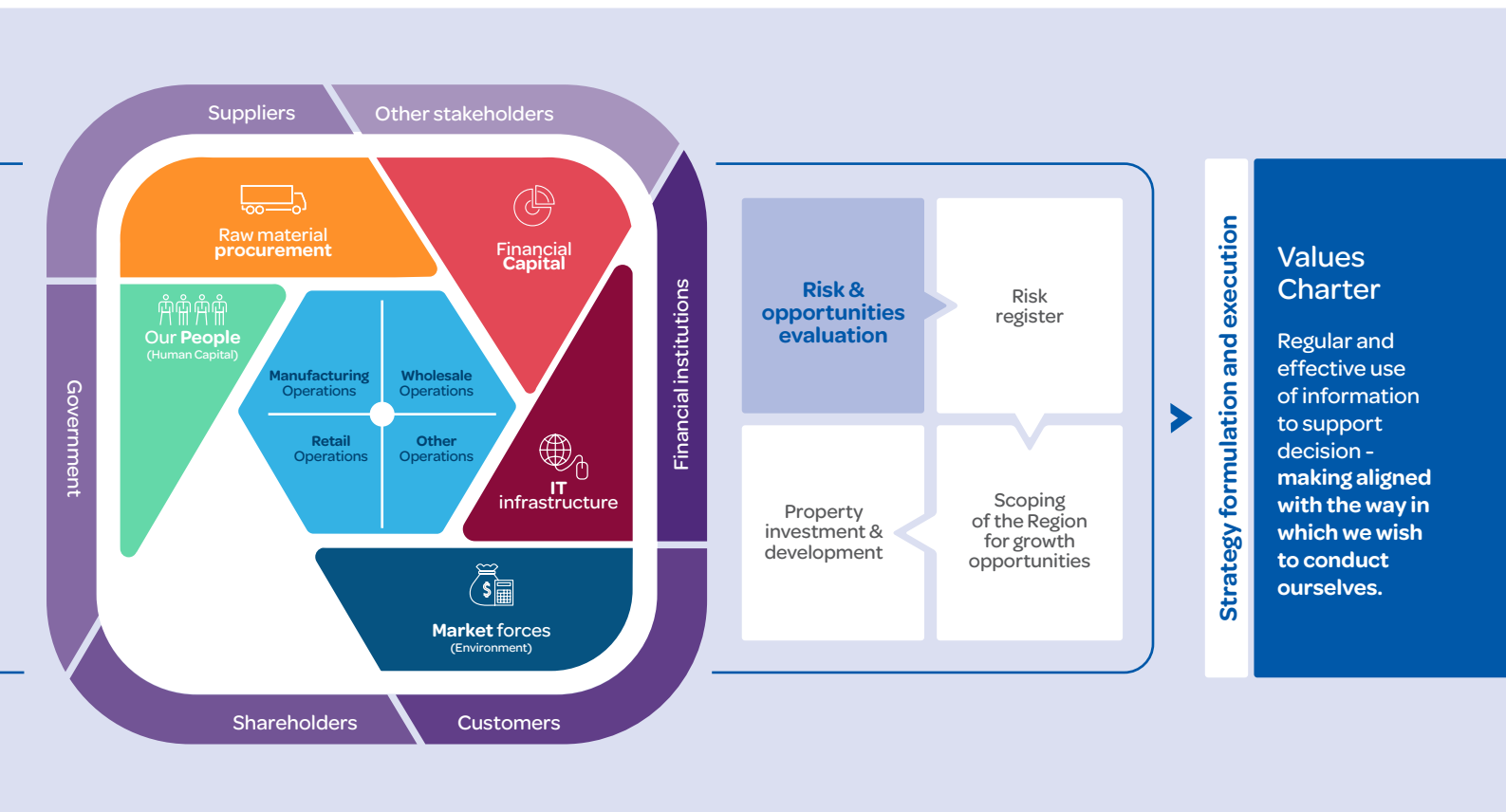
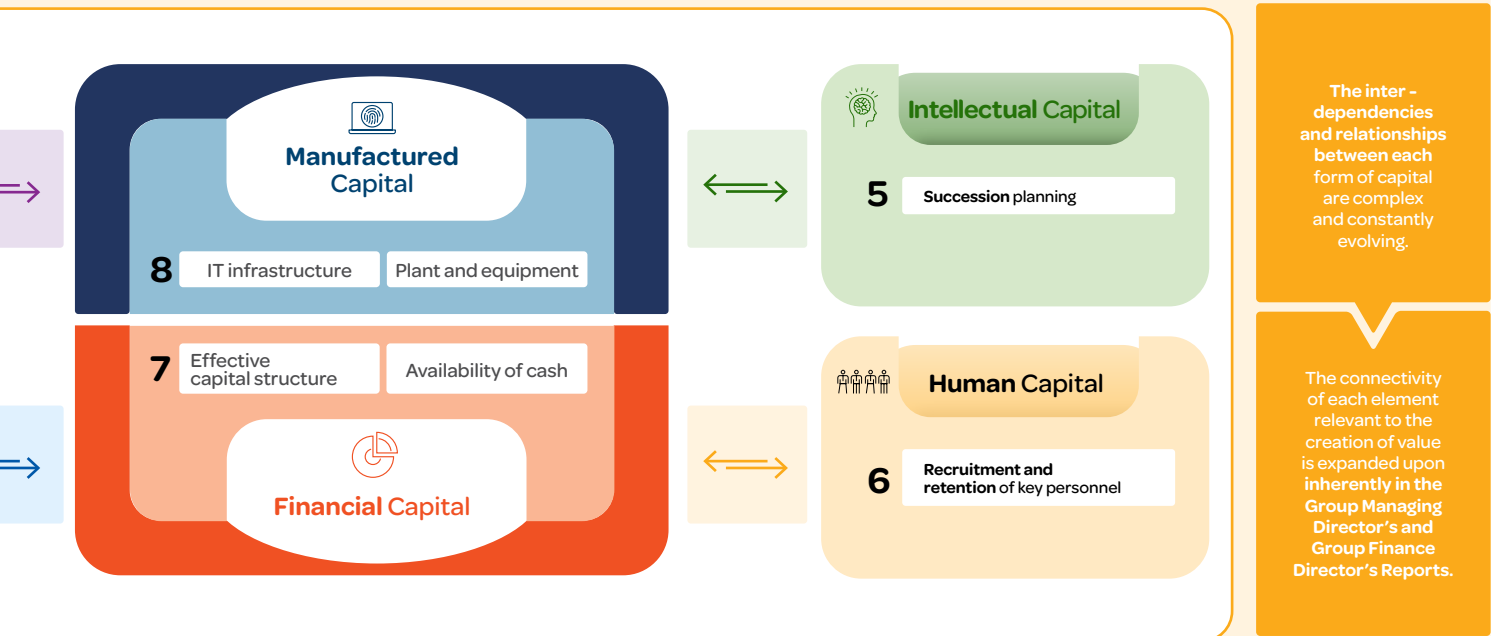
The inter-relationship between various forms of capital



Our Business Model

Our business model is designed to enable the Group to achieve its objectives through recognising the various Material Matters (page 14) and also recognising the interdependencies of the various Forms of Capital

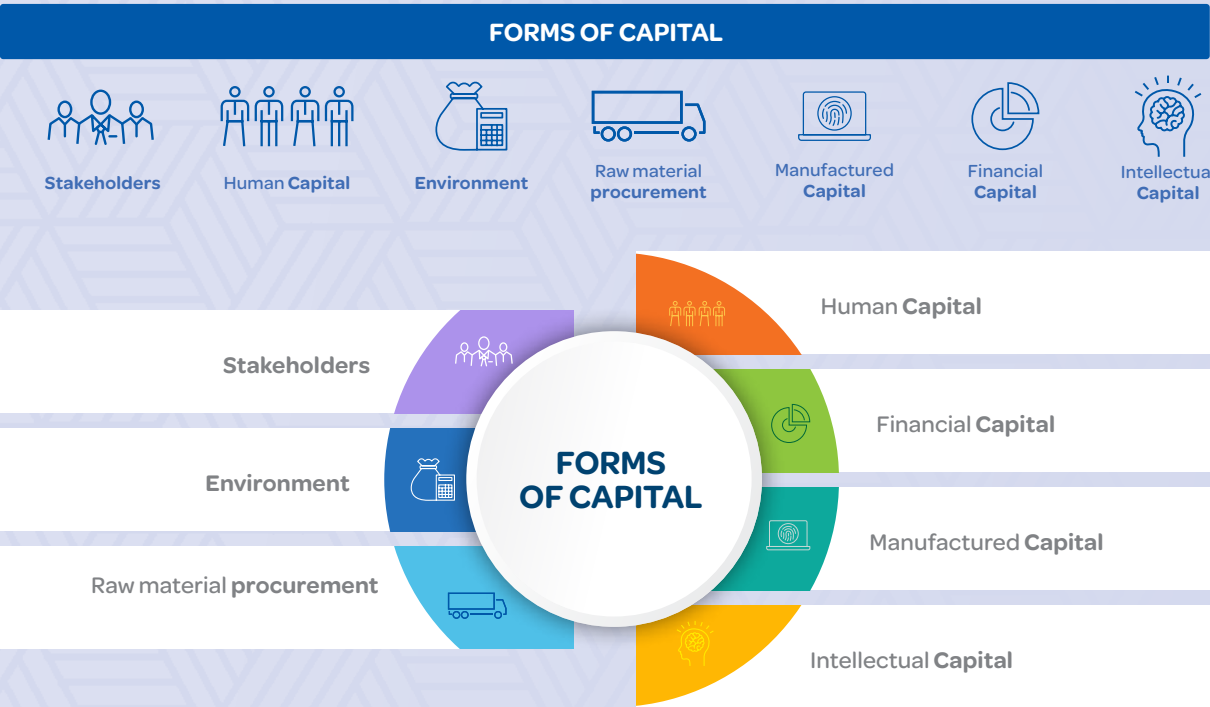




Material Matters



The IIRC refers to the need to highlight in the Integrated Report, the matters that are considered to be “Material”. **These are referred to as matters that substantially affect the Organisation’s ability to create value over a short, medium and long term.**



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

1 Government spending

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

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

Impact

We continually obtain tender invitations and ensure we respond to all tenders we believe we are capable of servicing. Being aware of tenders issued is critical for these entities in our Group. We have a strong track record for ensuring that where we have been awarded tenders, all quantities are delivered on time and that quality is not compromised. Raw materials are procured from reliable suppliers at the best possible prices thereby ensuring we are best placed to secure and deliver to any orders placed with us with little notice. Wherever possible raw materials are procured from local suppliers. Over the years we have supported several local farmers and provided them with a reliable market for their produce. Our reliance on Government spend has however reduced over recent years through a conscious effort to develop and grow the private sector customer base.

Risk Mitigation

2 Consumer spending and confidence

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

Impact

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

Risk Mitigation



3 Foreign Exchange fluctuations

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

Impact

Forward contracts are entered into where appropriate and spot purchases of currency are carried out where a known cash outflow in a foreign currency is anticipated. A Group treasury function monitors daily foreign exchange movements and ensures appropriate transactions are entered into accordingly.

Risk Mitigation

Wherever possible raw materials are procured from local suppliers. Over the years we have supported several hundred local farmers and provided them with a reliable market for their produce.



Material Matters

(continued)

4 Changing commodity prices

Impact

The manufacturing businesses procure significant volumes of sorghum, soya and maize. These commodity prices can double or halve in any given financial year and this is largely driven by worldwide supply and demand. The Ukraine and Russia conflict has amplified this risk in recent years.

Risk Mitigation

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

5 Succession planning

Impact

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

Risk Mitigation

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

6 Recruitment and Retention of key personnel

Impact

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

Risk Mitigation

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

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





7 Effective Capital structure

Impact

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

Risk Mitigation

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

8 IT infrastructure

Impact

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

Risk Mitigation

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

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

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

Brand Health and development (not a form of capital)

We have built up our brand over 51 years and it is critical that we leverage off this brand value to maximise returns.

Impact

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

Risk Mitigation



Sefalana Group voted as Botswana's Most Admired Retail Brand of 2025!



Brand Africa 100 was established in 2010 and conducts Africa's Best Brands survey which ranks brands across Africa. The goal and aim is to award local brands that have been recognised by the public as **brands that are distinguished, whilst adding value and making a difference within the countries they operate in.** In Botswana, Sefalana emerged as the most admired Retail brand in the 2025 Brand Africa 100 Survey.








WHAT ARE THE MOST ADMIRABLE BRANDS IN BOTSWANA?

#1



**MOST ADMIRABLE BRAND
RETAIL**

WWW.BRAND.AFRICA



 **Sefalana**

Shopper

The
BIG
One

Sefalana
Liquor

OVERVIEW



02
OVERVIEW

02



**Creating
value through
Diversification**

The Sefalana Group of Companies has proudly established itself as a cornerstone of growth and opportunity. Over the decades, the Group has expanded into diverse sectors, becoming a true basket of opportunities that benefits both our Shareholders and the communities we serve.

51
years
of creating
value

Our timeline - our first 5 decades of existence

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

Sefalana Botswana became the 1st publicly listed company in Botswana

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

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

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

Investment in property in Zambia

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



1974

1975

1989

1994

2006

2009

2010

2020

2020

2020

2022

2023

2023

2024



Sethoa – First of its kind – hybrid retail store

Entered the Australian market through an investment in a 40% **associate company that operates in the FMCG sector**.

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

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

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

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

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

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

Acquisition of 12 Metro stores **across Namibia**

Refreshed and consolidated **our brand**

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

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

Launched **"Sefalana rewards"** loyalty program

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



20**13**

20**15**

20**15**

20**16**

20**16**

20**16**

20**17**

5 decades of serving the Nation, your trust in the Sefalana sa rona brand puts us in **good standing** everywhere we do business

20**24**

20**24**

20**25**

20**25**



The Group celebrated its 50th anniversary of operations

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

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

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

Our Sefalana



The Sefalana Group of Companies has proudly established itself as a cornerstone of growth and opportunity in Botswana, and within Southern Africa, with the FMCG (Fast Moving Consumer Goods) business at its core. **Over the decades, the Group has expanded into diverse sectors, becoming a true basket of opportunities that benefits both our Shareholders and the communities we serve.**

Founded on the vision of sustainable growth and customer-centric service, Sefalana has steadily developed into a formidable force in the retail and business landscape. With over 130 stores across the region and nearly 300 banner members spread throughout Southern Africa, we serve thousands of customers every week. Our history is rich with milestones, including being the first company to list its shares on the Botswana Stock Exchange in 1975, and growing from a modest six stores in Botswana to a multi-national entity with operations in four countries.

Today, Sefalana's operations span, wholesaling, retailing and hybrid and grocery stores, fresh produce, distribution, automotives, property, printing & publishing, and manufacturing – offering a wide range of products and services that meet the evolving needs of our customers.



Corporate information

Sefalana Holding Company Limited

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

Business Address

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



Auditors

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

Lawyers

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



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

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

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

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

At the heart of Sefalana's success are our people. With over 8,100 employees, we are proud to be an employer of choice, committed to helping our team members reach their full potential. Through continuous learning and development programs, including accredited training, coaching, and reviews, we empower our employees to grow both personally and professionally, ensuring the long-term success of both the individuals and the organization.

Group Secretary

Joanne Robinson
 companysecretary@sefalana.com

Share Transfer Secretaries

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



Bankers

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

Sefalana Sa Rona



Sefalana Group of Companies e itlhomile ko pele e le sekao sa kgolo le go neela bagwebi le baji-bareki ditshono mo Botswana le borwa jwa Aforika. Kgwebo ya rona e ikaegile segolo ka madirelo a a rekisang dijo le dithoto tse di dirisiwang mo malwapeng (Fast Moving Consumer Goods - FMCG). **Mo dingwageng tse di fetileng, kgwebo ya rona e aname le mehama e e farologanyeng ya itsholelo. Se se ne sa solegela molemo babeeletsi ba rona le baji-bareki.**

Madirelo a rona a tswakantswe ka re na le dikgwebo tse di rekisetsang dikgwebo tse dingwe (wholesaling), dikgwebo tse di kopantseng go rekisetsa dikgwebo tse dingwe le batho ka bongwe ka bongwe, tse di rekisang maungo, tse di rekisang dikoloi, tse di gwebang ka dikago, tse di gatisang e bile **di patlalatsa mekwalo ya ipapatso, le go dira dithoto tse di farologanyeng. Go tswakanngwa ga kgwebo ya rona gore thusa go kgotsofatsa dikeletso tsa baji-bareki ba ba farologanyeng.**



Sefalana se thaetswe mo keletsong ya go aga kgwebo e e kgonang go ikemela, e neela baji-bareki se ba se tlhokang. Kgwebo ya rona e godile e bile ke nngwe ya dikgwebo tse di tsepameng mo mohameng wa tsa thekiso le mehama e mengwe. Re na le madirelo a feta lekgolo le masome a mararo (130) mo kgaolong ya borwa jwa Aforika le dikgwebo tse di ikemetseng ka nosi di feta makgolo a mararo tse di re emeng nokeng. Se se raa gore re thusa baji-bareki ba feta makgolo a mararo beke le beke. Re itsege ka go itlhome ko pele jaaka re itsiwe re le kompone ya ntlha go ananya diabe tsa yone ko Botswana Stock Exchange e bile re godile go tswa mo mabentleleng a le marataro go nna kgwebo e e nonofileng e e gwebang mo mafatsheng a le mane.





Leano le re le dirisang go godisa kgwebo ya rona ke go neela baji-bareki se ba se tlhokang e leng dithoto tsa boleng jo bo amogelesegang. Re lemogile botlhokwa jwa go tswa ka megopolo e mesha, go dira dilo ka matsetseleko le kelelelo, le go aga botsalano jo bo nonofileng le baji-bareki – gore re age kgwebo e e nang le maitsetsepelo. Maano a masha jaaka go dirisa maranyane, go dira mananeo a a ngokang baji-bareki, le go tlhohofatsa ditsela tsa go duela a nonotsha botsalano jwa rona le baji-bareki le go godisa tshepho ya bone mo go rona.

Sefalana se na le seabe mo go godiseng le go babaleleng sechaba go tswa fano go ya pele. Re dumela thata mo go tshegetseng dikgwebo le botsalano jwa rona le sechaba. Se se re diretse leina le le ntle mo sechabeng ka go dira dilo ka boikanyego le seriti.

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

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



Go atlega ga rona go ikaegile ka babereki ba rona. Re na le babereki ba ba fetang dikete dile bofera bobedi le le kgolo (8, 100). Re ipelafatsa ka gore re mohiri yo o eletsegang e bile a ikiteile ka thupama go thusa babereki go gola le go tlhatloga. Re tsweletse ka go godisa babereki ba rona ka go ba rutuntsha ka mananeo a a farologanyeng jaaka ithutuntsho e e akgotsweng ke makalana a a tshwanetseng, go ba tsamaisa tshipidi le go ba ema nokeng, go sekaseka tiro ya bone, le go ba kaela. Maiteko a go godisa babereki a ba tswela mosola ka gore a a ba nonotsha; se gape se tsisa katlego mo isagong ya bone le ya kompone.



Financial highlights

	2025	2024
	P'000	P'000
Revenue	11 173 673	9 720 308
Profit for the year attributable to equity holders of the parent	423 798	334 463
Total comprehensive income attributable to equity holders of the parent	440 563	355 123
Shares in issue at beginning of and end of the year (number)	250 726 709	250 726 709
Weighted average shares in issue during the year (number)	250 726 709	250 726 709
Basic earnings per share (thebe)	169	133
Total comprehensive income per share (thebe)	176	142
Dividends per share (thebe) - ordinary - paid	12	12
Dividends per share (thebe) - ordinary - proposed	38	53
Dividend cover (times) - ordinary	3.38	2.05
Net asset value per share (thebe)	1 127	1 015
Market price per share at year end (thebe)	1 499	1 180

Value added statement

	2025	2024
	P'000	P'000
Wealth created		
Revenue	11 173 673	9 720 308
Payments to suppliers and providers of services	(9 947 569)	(8 686 490)
Value addition	1 226 104	1 033 818
Absorbed in operations of associated companies	(6 716)	(18 041)
Interest income from bank deposits	47 430	32 422
Total wealth created	1 266 818	1 048 199
Wealth distribution		
To employees	566 031	478 227
To providers of capital	201 017	179 368
Government for taxes	124 107	107 419
Total wealth distributed	891 155	765 014
Wealth retained in the business		
To maintain and develop operations of the Group	375 663	283 185
Number of employees of the Group	8 172	7 234

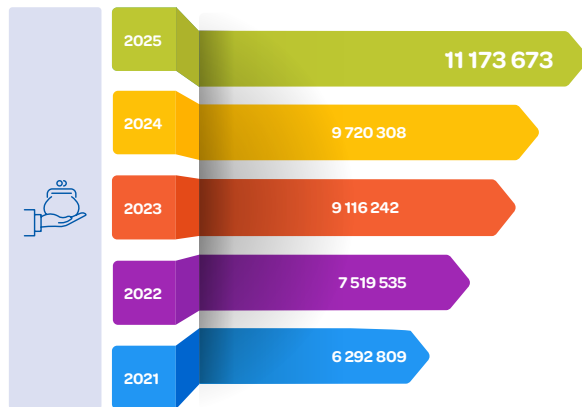
Shareholder information

Analysis of Shareholders				
	27 April 2025		28 April 2024	
Shareholders with an individually significant interest in Sefalana Holding Company Limited				
Botswana Public Officers Fund	121 696 052	48.54%	120 915 371	48.23%
Motor Vehicle Accident Fund	22 574 824	9.00%	22 574 824	9.00%
Debswana Pension Fund	16 722 427	6.67%	16 624 076	6.63%
Chandra Chauhan	14 134 204	5.64%	14 134 204	5.64%
	175 127 507	69.85%	174 248 475	69.50%
Summary by class of Shareholders:				
Insurance companies, pension funds and nominee companies	229 737 528	91.63%	229 933 617	91.71%
Individuals and others	20 989 181	8.37%	20 793 092	8.29%
Total	250 726 709	100.00%	250 726 709	100.00%
Shares held by citizens (individuals and institutions)	243 011 221	96.92%	242 945 588	96.90%
Analysis of shares held by public and non-public Shareholders	27 April 2025		28 April 2024	
	Public	Non Public	Public	Non Public
Number of Shareholders	1 818	10	1 726	10
Number of shares held	236 202 910	14 523 799	236 202 910	14 523 799
Proportion (%)	94%	6%	94%	6%
Stock market information				
Number of shares traded (000)	12 205		12 318	
Value of shares traded (P'000)	162 857		139 769	
Share price for the period (thebe):				
Lowest	1 180		978	
Highest	1 500		1 180	
Closing	1 499		1 180	
Market Capitalisation at year end (P'000)	3 758 393		2 958 575	
Shareholders' calendar				
Financial year end	27 April 2025			
Announcement of audited results	31 July 2025			
Annual General Meeting	31 October 2025			
Announcement of half year results	end of January 2026			

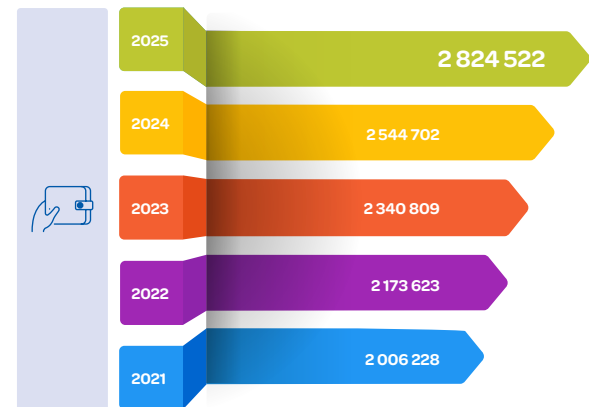
The market capitalisation of the Group on 27 April 2025 amounted to P3.8 billion, placing Sefalana as the largest in the Retail and Wholesale sector on the Botswana Stock Exchange.

Five year trending

Revenue (P'000)



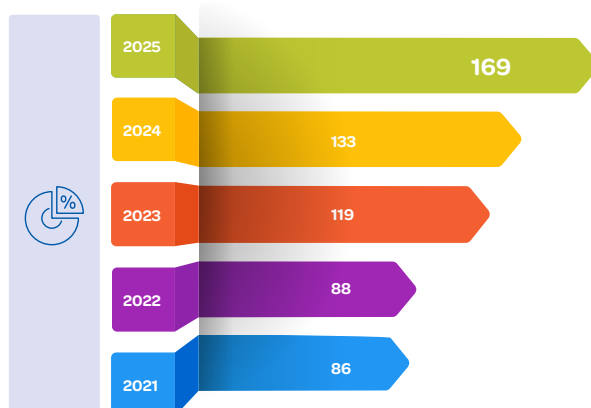
Equity (P'000)



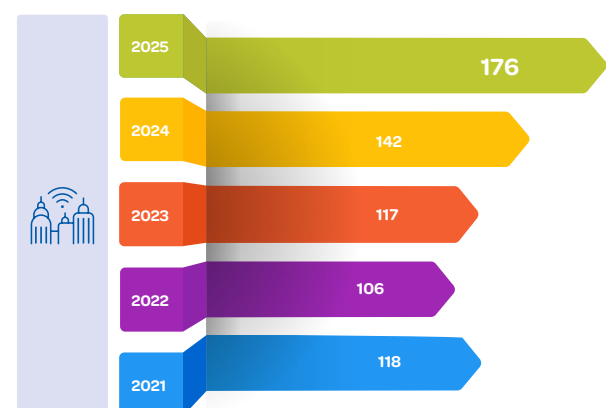
We are delighted to be able to once again, report to you our best results to date.

We have consistently been able to do this over the last 14 years (other than 2017).

Earnings per share (thebe)



Total comprehensive income per share (thebe)



Record of financial performance

	For the 52 week period ended	For the 52 week period ended	For the 53 week period ended	For the 52 week period ended	For the year ended
	27 April 2025	28 April 2024	30 April 2023	24 April 2022	30 April 2021
	P'000	P'000	P'000	P'000	P'000
Comprehensive Income					
Revenue	11 173 673	9 720 308	9 116 242	7 519 535	6 292 809
Profit from operations	556 849	460 979	413 425	348 243	297 970
Share of results from associate and joint venture	(6 716)	(18 041)	(10 609)	(14 435)	(7 704)
Profit before tax	550 133	442 938	402 816	333 808	290 266
Income tax expense	(124 107)	(107 419)	(102 255)	(112 743)	(73 384)
Profit for the year	426 026	335 519	300 561	221 065	216 882
Other comprehensive income / (loss)	16 765	20 660	(5 648)	46 620	78 670
Non - controlling interests	(2 228)	(1 056)	(991)	(1 453)	(684)
Total comprehensive income for the year attributable to equity holders of the parent	440 563	355 123	293 922	266 232	294 868
Earnings per share (thebe)	169.03	133.40	119.48	87.59	86.23
Total comprehensive income per share (thebe)	175.71	141.64	117.23	106.18	117.61
Dividends per share (thebe)	65.00	65.00	62.00	52.00	40.00
	27 April 2025	28 April 2024	30 April 2023	24 April 2022	30 April 2021
	P'000	P'000	P'000	P'000	P'000
Financial Position					
Property, plant and equipment	1 261 596	1 080 678	936 374	857 355	790 504
Right of use assets	238 962	175 409	180 781	229 711	171 752
Investment property	207 121	228 765	237 759	230 082	211 082
Intangible assets	102 951	105 959	110 138	123 426	127 141
Investment in associates	39 171	36 262	57 419	63 689	71 542
Loan to associates	55 239	64 654	58 015		
Investment in preference shares	303 496			190 665	194 997
Deferred lease assets	3 863	4 931	4 606	4 734	4 404
Deferred tax assets	35 454	29 680	31 466	29 710	28 523
Trade and other receivables	4 111	4 820	4 647	6 320	7 207
Current assets	2 501 531	2 323 717	1 944 462	1 912 791	1 620 816
Asset classified as held for sale		6 000		34 750	23 958
Current liabilities	(1 307 652)	(1 175 559)	(868 860)	(1 126 168)	(888 722)
Non - current liabilities	(621 321)	(340 614)	(355 998)	(383 442)	(356 976)
Non - controlling interests	(26 636)	(24 408)	(20 189)	(16 548)	(15 095)
Equity attributable to equity holders of the parent	2 797 886	2 520 294	2 320 620	2 157 075	1 991 133



EXECUTIVE⁵⁰ REPORTS



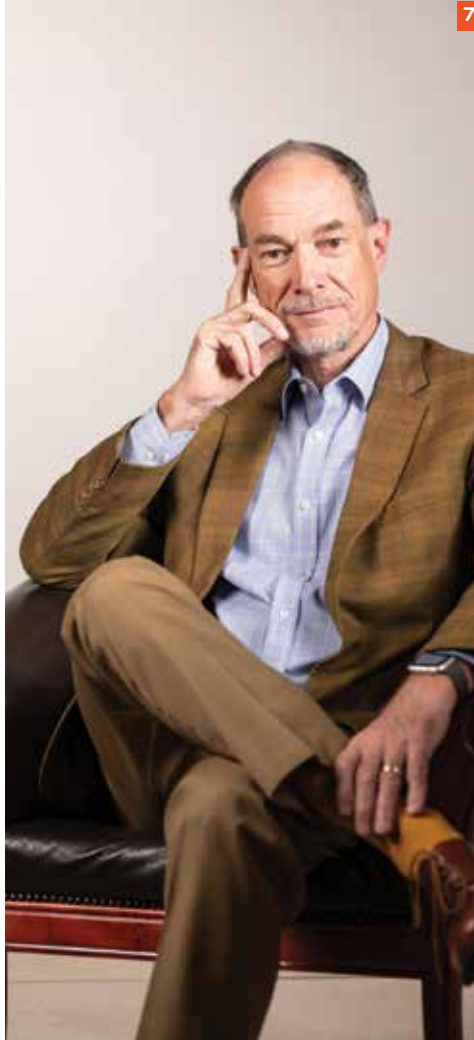
03



**Creating
value through
Diversification**

The Sefalana Group of Companies has proudly established itself as a cornerstone of growth and opportunity. Over the decades, the Group has expanded into diverse sectors, becoming a true basket of opportunities that benefits both our Shareholders and the communities we serve.

51
years
of creating
value





1

Jennifer Marinelli
Board Chair
Independent
Non - Executive Director

2

Chandra Chauhan
Group Managing Director -
Executive

3

Mohamed Osman
Group Finance Director -
Executive

4

Susanne Swaniker-Tettey
Independent
Non - Executive Director

5

Paula Disberry
Independent
Non - Executive Director

Board of Directors

6

Mahube Mpugwa
Independent
Non - Executive Director

7

Keith Jefferis
Independent
Non - Executive Director

8

Sipho Ziga
Independent
Non - Executive Director

9

Gerhard Scheepers -
Sefalana Cash and Carry
Botswana Managing
Director - Executive

10

Bryan Davis
Sefalana Cash and Carry
Namibia Managing Director -
Executive

Chair's report





The diversification of the Group, **REGIONALLY AND OPERATIONALLY**, continues to provide **financial stability and growth.**



Every sector of our Group has met and exceeded our expectations this year; the FMCG business continues to grow and report excellent performance and our Manufacturing division **achieved record results due to increased tender volumes and the successful growth of our branded portfolio of products.**

In line with our strategic vision, we have continued to expand our footprint and **invest in opportunities that complement and strengthen our core.**



I would like to thank our Shareholders for recognizing the efforts made by the **entire team in growing the business to ultimately generate enhanced Shareholder value.**



Across the Group, we now employ over 8,100 people, with an almost equal gender split. **Their commitment, creativity, and resilience have been the foundation of our continued success.**



Botswana continues to face external pressures, particularly from **on-going volatility in the diamond market and more recently cash liquidity constraints.**

Chair's report

(continued)



It is with great pleasure and optimism that we present to you our Annual Report for the year ended 27 April 2025. The Group Managing Director's report and Group Finance Director's report provide detailed insights into the operational and financial performance of our business during the year.

This year has tested our resilience and agility across an increasingly complex and dynamic economic landscape. I am proud to report that Sefalana has not only met these challenges head-on but has continued to deliver exceptional results and strengthen its foundation for long-term, sustainable growth.



Navigating Regional economies

The economic environment in our largest markets – Botswana and Namibia – remain challenging with persistent uncertainty.

Botswana continues to face external pressures, particularly from on-going volatility in the diamond market and more recently cash liquidity constraints. This pressure on liquidity is impacting all industries, and the cost of borrowing has now become unaffordable. Consequently, there is a more conservative appetite for growth and investment in the country. The related volatility in interest rates has impacted consumer confidence and spending patterns. Following last year's elections, there has been a change in Government after over 50 years. This too has resulted in greater market uncertainty.

Namibia has also experienced a strain in its economy and has adversely been impacted by the lingering effects of drought and post-pandemic recovery challenges. With elections having recently taken place, there continues to be a degree of uncertainty on possible policy reforms.

Importantly, despite these challenges both countries have sound underlying fiscal policies and are progressing with economic diversification which helps to support a stable operating environment.

The oil and gas developments in Namibia, along with Botswana's renewed focus on mineral extraction, present encouraging long-term growth prospects for both economies. Whilst we look to these opportunities with optimism, we remain mindful of the complexities involved in turning potential into tangible progress.

The diversification of the Group, regionally and operationally, continues to provide financial stability and growth. This has helped the Group consistently report improved results year on year.

Performance highlights

The Group delivered another record set of results, with revenue increasing to P11.2 billion—our highest to date. Profit before tax rose to P550 million, driven by top-line growth, cost discipline, and strategic investments. Our return on capital employed (ROCE) reached 19%, well above inflation and financing costs, confirming our ability to create real value for our Shareholders.

In line with our strategic vision, we have continued to expand our footprint and invest in opportunities that complement and strengthen our core. Over the past five years, we have nearly doubled revenue and grown our net asset base to P2.8 billion. Our market capitalisation is currently P3.8 billion. This performance reflects the success of our diversified portfolio particularly across FMCG, and manufacturing, along with expansion in the region.

Every sector of our Group has met and exceeded our expectations this year; the FMCG business continues to grow and report excellent performance and our Manufacturing division achieved record results due to increased tender volumes and the successful growth of our branded portfolio of products. The shift towards branded and private label products has reduced dependency on Government contracts and positioned us well for future growth.

Sustainable growth and opportunity

As competition in the FMCG sector intensifies, we continue to take a measured approach to expansion. Several new store rollouts are planned in Botswana and Namibia in the year ahead, each underpinned by a strong commercial rationale. We also remain open to non-core investments that align with our return thresholds and support our long-term diversification strategy.

Our strategic investment in the preference shares in UIH South Africa, now converting into a 30% equity stake in that business, marks a pivotal step in our regional growth. With a current fair value of R415 million—well above the R275 million investment made—this transaction underscores the strength of our commercial decision-making and our ability to unlock Shareholder value. This is a transaction the Group has been pursuing for some years now, and we are pleased to report that we have exercised our conversion option in July 2025.

Our People, our strength

Across the Group, we now employ over 8,100 people, with an almost equal gender split. Their commitment, creativity, and resilience have been the foundation of our continued success. I am deeply grateful to every member of our team for their contribution to building a strong, sustainable business that reflects our values.

Closing reflections

I would like to extend my heartfelt thanks to my fellow Board members for their support and to the Executive Leadership Team for their unwavering focus and exceptional delivery. To our suppliers, we look to you to help us meet and exceed our customer needs.

Lastly, I would like to thank our Shareholders for recognizing the efforts made by the entire team in growing the business to ultimately generate enhanced Shareholder value.

I look ahead to continued success for this exciting and dynamic Group.

JM Marinelli
Chair







Group Managing Director's report





We increased our fuel station sites from 3 to 6, with the new additions in the year at Selebi - Phikwe, Molepolole and Mamashia. There are plans underway to increase this footprint.

The trading environment across the region remained challenging for the year, with persistent margin pressures and supply chain disruptions.

These dynamics are expected to persist into the coming year, reinforcing the critical importance of effective supply chain management.



We continue to focus on the manufacture and supply of branded products to utilise factory capacity and to create further employment. **Growth in this area continues to be positive. We have placed considerable efforts in building our brands and this has proven to be a successful strategy.**

Top-line growth remains a key indicator of market share expansion. Despite ongoing supply chain constraints, our topline growth reaffirms the resilience of our operational model.

Several new store developments are in the pipeline for both Botswana and Namibia, which will be launched as sites become ready. **We continue to adopt a measured, opportunity-driven approach.**

South Africa

In November 2024, the Group entered a R275 million one-year preference share arrangement with UIH Investments Holdings (Pty) Limited (UIH) in South Africa.



This investment is expected to provide Sefalana with exposure into the South African FMCG market through a successful business partner.



Australia



Our investment in Australia continues to generate a positive EBITA and cash.

We currently operate 9 stores across Brisbane under the Seasons IGA brand.

Botswana

Overall Botswana business units which represent around two thirds of our entire Group business,



have generated P340 million of PBT for the period, compared to P306 million in the prior year.

Namibia



Our Namibia business makes a significant contribution to overall Group results each year. We remain one of the largest FMCG business in Namibia.

During the period we opened 5 new stores. Total store compliment at the year end was 32.

Lesotho

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



We remain the largest FMCG business in the country and recently rented out an additional warehouse space to support our growth.

Group Managing Director's report

(continued)



We are pleased to report another set of record-breaking results – the best in our 51-year history, building on the strong performance reported for 28 April 2024. Our consistent year-on-year growth is driven by strategic diversification across sectors and geographies, a strong focus on innovation, and continued investment in business development, all of which have contributed to enhanced value for our Shareholders.

During the year, we expanded our footprint by opening 12 new stores across the Group, with six additional openings planned in the coming year. **This expansion continues to bolster our market presence and competitive positioning across all operating territories.**



Trading overview

The trading environment across the region remained challenging for the year, with persistent margin pressures and supply chain disruptions. Manufacturing volumes from South Africa have declined in recent times, while raw material costs have increased, impacted by global economic volatility and heightened geopolitical tensions. These dynamics are expected to persist into the coming year, reinforcing the critical importance of effective supply chain management.

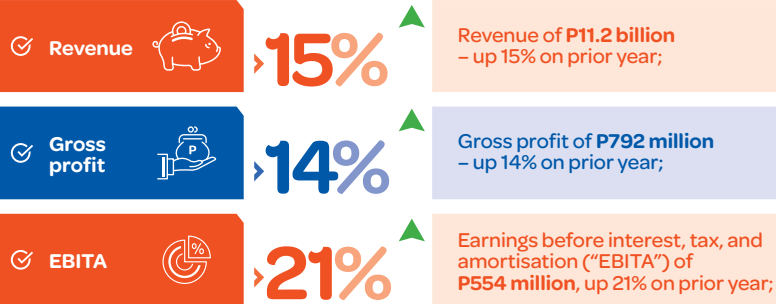
Inflationary pressures have reshaped consumer behaviour, resulting in greater price sensitivity and a shift toward value-oriented purchases. This trend has adversely affected gross margins across the various sectors. Consumers are shopping more frequently, prioritising essential and value-based products, with a moderate increase in basket sizes but at lower blended margins.

Given the increasing complexity of our operating landscape, management teams across the Group have adopted innovative and agile strategies to maintain performance and mitigate market headwinds.

During the year, we expanded our footprint by opening 12 new stores across the Group, with six additional openings planned in the coming year. This expansion continues to bolster our market presence and competitive positioning across all operating territories.

Financial highlights

For the 52-week period ended 27 April 2025, the Group reports:



Revenue

Revenue of P11.2 billion marks our highest to date, reflecting a 15% increase from the prior year. This solid growth was achieved against a backdrop of regional inflation ranging between 2-5% and builds upon the 7% growth recorded in the previous year.

Top-line growth remains a key indicator of market share expansion. Despite ongoing supply chain constraints, our topline growth reaffirms the resilience of our operational model. Turnover growth achieved by key segment was as follows:

Sefcash Botswana	+13% (prior year: +6%)
Metro Namibia	+18% (prior year: +6%)
Sefalana Lesotho	+7% (prior year: +5%)
Foods Botswana	+41% (prior year: +26%)
Like-for-like sales	Botswana +10%, Namibia +11%*, Lesotho +4%*

* Expressed in local currency

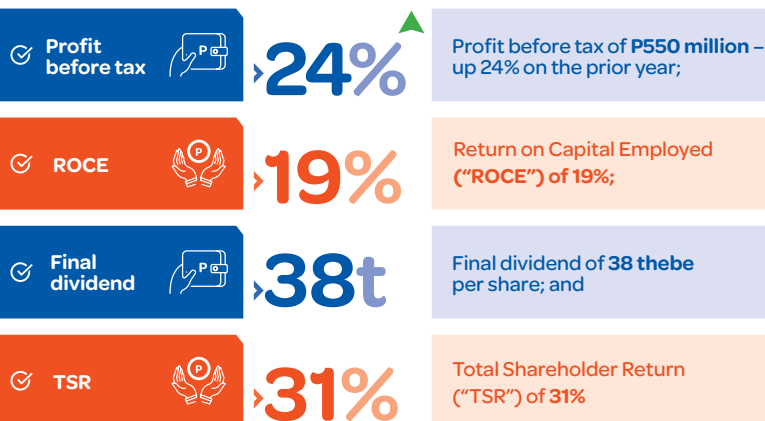
Gross profit and inventory management

Overall Group gross profit (“GP”) margin remained flat at 7.1% despite the intensified competition experienced during the year. Absolute gross profit increased by 14% to P792 million.

GP achieved by key segment was as follows:

Sefcash Botswana	5.4% (prior year: 5.5%)
Metro Namibia	5.1% (prior year: 5.0%)
Sefalana Lesotho	6.1% (prior year: 5.6%)
Manufacturing	26.2% (prior year: 28.0%)

Revenue of P11.2 billion marks our highest to date, reflecting a 15% increase from the prior year. This solid growth was achieved against a backdrop of regional inflation ranging between 2-5% and builds upon the 7% growth recorded in the previous year.



Inventory levels are at an historic high at P1.5 billion. The Group has experienced double digit sales growth and there has been an increased need to strategically pre-order buffer stock to avoid stock-outs in-store.

To support this additional inventory holding, we may embark on the construction of a 10,000 sqm warehouse in Gaborone North. This new facility would be at a cost of around P65 million and would be funded using a combination of debt and existing cashflow.

Group Managing Director's report

(continued)

Administrative expenses

Administrative expenses crept up slightly at 3.5% of revenue, from 3.3% in the prior year, partly due to the greater than inflation pay increase awarded to a large proportion of our lower earning staff as we invest in developing future talent (increases between 7% and 15%) offset by the implemented rigorous cost management measures put in place throughout our businesses.

Profit before tax (PBT) and earnings per share (EPS)

PBT of P550m was 24% up on the prior year.

EPS of 169 thebe was significantly higher (27%) than the prior year of 133 thebe. Total comprehensive EPS of 176 thebe was 24% higher than in the prior year illustrating solid shareholder value creation.

The effective tax rate for the period was 23% compared to 24% in the prior year.

Balance sheet strength

Our net asset position increased to P2.8 billion, up from P2.5 billion in April 2024. This growth came despite our highest-ever dividend distribution. Our market capitalisation at 27 April 2025 was P3.8 billion (2024: P2.9 billion), positioning Sefalana as the largest company in the Retail and Wholesale sector on the Botswana Stock Exchange. This amounted to a 31% increase in value.



Cash position

Our cash at the end of April 2025 of P528 million was utilized to settle a large proportion of the amounts due to suppliers of P895 million. Considerable pressure had been placed on our working capital largely due to delays in payments received from institutions where cash flow constraints are being experienced. We have also had to increase our inventory holdings to meet customer requirements as the size of the business has grown.

This necessitated, for the first time in over a decade, the drawdown of additional debt facilities during the year to assist with working capital requirements. It is for this reason that we have temporarily scaled down on our year end final dividend payment. We will monitor this for the next 12 months and will look to increase this for next year, once the pressure on cashflow has eased for the Group and many of our large customers.

In October 2024, a loan facility of P250 million was entered into with a local Bank. These funds were largely utilized for the investment in preference shares in South Africa. Further discussion on this investment is presented later in this report.



Employment

We are pleased to report that with this continued level of growth, our Group has created employment for an additional 938 persons during the year taking our total number of staff to 8,172.

We continue to focus our employment on citizens in all our areas of operation and continue to report under 1% non-citizen employment.

Preference share investment

In November 2024, the Group entered a R275 million one-year preference share arrangement with UIH Investments Holdings (Pty) Limited ("UIH") in South Africa. Under this arrangement the Group earns a fixed annual return of 15% and has an option to convert this investment into a 30% equity stake in UIH in November 2025. We are pleased to report that the Group has exercised its option in July 2025.

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

This investment is carried at fair value in accordance with IFRS. The conversion option has been valued at P102 million under IFRS 9, reflecting the potential upside based on the underlying equity value of the UIH business. This gain has been recognised under "Other Income and Gains" in the Statement of Comprehensive Income. As at year-end, the fair value of the preference share investment, including the embedded conversion option, amounted to P304 million in the Statement of Financial Position.

Segmental Reporting

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

Review of operations

Botswana Business units – 62% of Group PBT
(69% in prior year)

Overall Botswana business units which represent around two thirds of our entire Group business, have generated P340 million of PBT for the period, compared to P306 million in the prior year.

Trading – consumer goods

Expansions into a wider product range and service offering has been our focus for some time to ensure our customers get what they desire. Wherever possible we support and prioritize local producers with favourable trading terms and opportunities to provide entrepreneurs with a reliable and sustainable customer base.

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



Group Managing Director's report

(continued)

Operating Divisions

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



Australia	
Botswana	
Lesotho	
Namibia	
South Africa	
Zambia	



SOUTH AFRICA



Our investment in South Africa

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

AUSTRALIA



Our investment in Australia

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

Operating FMCG Divisions



BOTSWANA

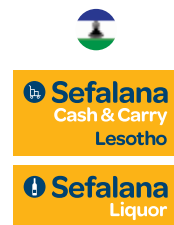


Sefalana Fresh Produce
A Sefalana Group Company

NAMIBIA



LESOTHO



Other Operating Divisions



BOTSWANA



BOTSWANA



BOTSWANA



ZAMBIA



Group Managing Director's report

(continued)

Consumers are returning to more frequent visits to stores and basket sizes have begun to increase. The consumer is still somewhat cautious and tends to focus more on value packs, necessities, and private label products, rather than luxuries. This has unfortunately had a drawn-out negative impact on gross margins. The desire for a one-stop shop is very much apparent and we have responded accordingly through range extension. Where possible this additional range helps to offset lost margin.

At the end of the year, the Botswana FMCG business consisted of 6 hyper stores ("Sefalana Hyper"), 23 cash and carry stores ("Sefalana Cash & Carry"), 36 supermarket retail stores ("Sefalana Shopper"), 57 liquor stores ("Sefalana Liquor"), 6 convenience stores ("Sefalana Quick"), and 6 fuel stations giving the Group a total of 134 outlets in Botswana. This compares to 128 outlets at the end of the April 2024.

New stores opened during the period included Moshupa, Mogoditshane, Mmamashia, Phikwe and Molepolole. The Cash and Carry's at Letlhakane and Jwaneng were converted into Hyper stores. In addition, a number of our stores were renovated and upgraded. There are plans underway to further increase our footprint.



This year the Group celebrated its 50th anniversary of operations and launched Botswana's biggest ever FMCG birthday promotion. This "wanna be a millionaire?" competition ended in December 2024 where one lucky winner walked away with P1 million in cash. In addition, there were two individuals who won P500,000 cash each, ten who won P100,000 cash each, 71 won P50,000 cash each and over 1,800 smart phones were given away. This was a very successful competition and changed the lives of several people across the country. We are very proud to have been able to give back to our valued customer base. We would like to thank all our participating suppliers, without whom we could not have been able to execute such a successful celebration.

Sefalana Cash & Carry Limited contributed 52% and 36% of the Group's revenue and PBT for the reporting period, respectively.

Trading – others

This segment which consists of Commercial Motors ("CML") and Mechanised Farming ("MFL") contributed 1.1% and 1.3% to Group turnover and PBT, respectively. This is a relatively small Group segment in line with our focus on the core business of FMCG.

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

MFL focuses almost exclusively on the supply of components to Botswana Railways. This business no longer sells to walk-in customers and is not a primary focus for the Group.

Manufacturing

Foods Botswana ("FB") contributed 5% and 14% to Group turnover and PBT for the year respectively. The profitability of this business is largely dependent on the timing of orders placed by Government in respect of the various feeding schemes and availability of raw materials.

Milling Division

During the year FB manufactured and successfully supplied the Government tender for the entire 52 weeks, following the award of two thirds of the tender in May 2023. We are pleased to report that additional volumes had been requested of FB. All such additional orders have been satisfied.

FB procured all of the grain required to fulfil orders placed on us and any other additional orders, such that the recipients of the Tsabana and Malutu feeding scheme were able to receive what they are entitled to. We remain available to manufacture and supply additional orders placed on us. We are currently securing grain to enable us to fulfil the supply against the additional 5-month interim contracts awarded to us commencing in June 2025. Grain prices fluctuate daily, and effective buying is critical to optimising margins.

We continue to focus on the manufacture and supply of branded products to utilise factory capacity and to create further employment. Growth in this area continues to

Our focus remains on building the Delta Fresh brand. Delta Fresh is available throughout Botswana in most retailers and is increasing in market share and popularity. **We made a change to the 500ml pack into a base format which is the preferred package type for Botswana. This has significantly boosted sales of this line.**



Raw material milk shortages in the Region over the last 4 years, due to repeated outbreaks of Foot and Mouth Disease in South Africa, had resulted in a drop in production volumes and as a result we had not been able to supply the Trade consistently with the required volumes. This has had an adverse impact of our brand building program. We are pleased to report that these challenges have eased and we are now able to source adequate volumes, albeit at a slightly higher price.

Our focus remains on building the Delta Fresh brand. Delta Fresh is available throughout Botswana in most retailers and is increasing in market share and popularity. We made a change to the 500ml pack into a base format which is the preferred package type for Botswana. This has significantly boosted sales of this line.

be positive. The Sechaba range of products has become a popular household name and a preferred choice for many shoppers in the various regions across the country. We have placed considerable efforts in building our brands and this has proven to be a successful strategy.

Beverages Division

This division is largely dependent on the manufacture and supply to Government of milk for the children's feeding scheme. We are pleased to report that most of the current tenders have been awarded to us either directly or indirectly through tenderers, however, there have been delays in the award of some regional tenders due to additional administrative hurdles at the councils. Post decentralization quantities have almost halved on a month-to-month basis compared to that of the previous tenders. All orders received during the year were successfully completed and delivered.

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



Group Managing Director's report

(continued)

Our A-Star water production was brought in-house in early 2024. As volumes increased, we procured an additional plant for P4 million during the year. This was commissioned in early 2025 and has more than doubled our production capacity. We look to becoming the leading water brand in Botswana in due course.

Our recently introduced Interpack and First Choice product ranges are doing very well in not just our stores but a number of other retailers. Further growth is expected in this space.

Level 55

In 2024 we set up our in-house shop fittings and equipment business to support our new store roll outs, along with our existing store upgrades and refurbishments. We have extended this supply support to our other Group companies including Namibia and Lesotho and also now service third party customers. This business generated a profit in its first year of operation and contributed to P3.6 million to the current year Group profit.

Turnbridge Projects

During the second half of the year, we set up our in-house signage and printing business to support our Group businesses. This is expected to yield a 20% saving compared to what we would typically pay third parties. There are several store upgrades and refurbishments scheduled over the next 5 years where these savings will be made. Total cost of investment is around P50 million. This business has commenced manufacture in January 2025 and works alongside Level 55 to support the new store rollouts in Botswana, Namibia and Lesotho. We also service third party customers. This business is expected to generate a profit next year in its first full year of operation.



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

Properties

Botswana property portfolio

Our Botswana property portfolio performed well, contributing 1% and 10% to Group revenue and PBT respectively. Almost all properties are tenanted, and leases are in place for periods between two and five years. Most of our properties are self-occupied, and this provides us with the ability to remain in the location indefinitely. Our warehouse that previously housed our KSI soap factory has been refurbished and is now let.

Regional operations and foreign exchange exposure

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

Diversification into other regions brings with it foreign exchange exposure. For this year, we have recorded a retranslation loss of P3.2 million largely relating to the Namibian and Lesotho businesses which are all ZAR denominated. This is in line with the translation loss of P3.2 million in the comparative year. These currencies constantly fluctuate, and the retranslation gains and losses are largely temporary and are recorded in other comprehensive income and losses in line with IFRS.

Metro (Sefalana) Namibia

Metro Namibia contributed 34% of revenue and 22% of PBT for the year. Turnover amounted to P3.8 billion, a growth of 18% on the prior year. PBT amounted to P123 million, 25% up the prior year. Our operations in Namibia continue to grow despite clear indications of stress in the economy. There remains significant pressure on margins largely a result of the competitive pressure in the country and the high unemployment rates. Our customers' disposable income remains directed towards essential products and away from discretionary, higher margin products.

This business makes a significant contribution to overall Group results each year. We remain one of the largest FMCG business in Namibia. At the start of the year, we had 27 stores across the country. During the year we opened 5 new stores. Total store compliment at the year end was 32.

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



Sefalana Lesotho

We have been operating in Lesotho for 10 years and the underlying business is performing well. At the start of the year we had 4 stores across the country located in Maputsoe and Maseru. During the year we opened 1 new store in Mohale's Hoek. Total store compliment at the year end was 5. We plan to open our first retail outlet in August 2025. We remain the largest FMCG business in the country and recently rented out an additional warehouse space to support our growth. We offer the widest range of products, and our stores are well positioned to be accessible to the entire country.

Our discussions are on-going with the Revenue Service Lesotho for the settlement of the remaining VAT due to us. This process has taken longer than anticipated, but we have made good progress and expect finality on this by late 2025. For some time now this matter has meant the business has experienced cash flow constraints and has required Group support to assist during peak times.

Turnover of P1 billion has been achieved for the year, with a contribution of 9% to total Group revenue. A PBT of P29.5 million was generated, up 45% on the prior year.

Zambia property

Our single property in Zambia has an occupancy rate of around 80%. We continuously seek suitable tenants for the remaining space and acknowledge the oversupply of similar property in the city. This remains a small segment for the Group.

Australian investment

Our investment in Australia continues to generate a positive EBITA and cash. We currently operate 9 stores across Brisbane under the Seasons IGA brand.

Group Managing Director's report

(continued)

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

The Group's share of results from this associate for the year amounts to a net loss of P3.5 million compared to a net gain of P3.1 million in the prior year. The prior year results included a P16.5 million gain on disposal of a part of the shareholding. The Group's share of underlying trading loss in the prior year was therefore P13.4 million. We are pleased with the current year improved performance and we anticipate a positive outcome for the ensuing year.

Financial Services – SefRemit

Our SefRemit division ceased operations during the year, allowing us to reallocate resources toward higher-growth opportunities.

Prospects

We are proud to have delivered consistent growth across nearly every half-year and year-end reporting period over the past decade. To sustain this momentum, we remain committed to continuous innovation and to identifying high-impact opportunities for strategic expansion. Several promising projects are currently underway, each designed to support long-term, sustainable profitability for the Group. We look forward to sharing these developments with our Shareholders in due course. The following can be reported on at this time:

A Preference share investment conversion

As reported earlier in this report, we are pleased to confirm that the Group has exercised its option to convert our preference share investment into a 30% equity stake in UIH South Africa. The conversion is effective from 1 November 2025, subject to regulatory approval. The strike price for the conversion remains aligned with the original investment value of R275 million. Based on current assessments, the fair value of the equity stake stands at R415 million – representing a 51% uplift on the investment. This outcome reflects not only the inherent strength and growth potential of the underlying business but also the Group's disciplined and strategic decision-making. We are proud of the significant value this transaction delivers to our Shareholders.

We are excited about the prospects of this investment which in the short to medium term is expected to contribute towards around 10% of the Group's profit.

B FMCG store roll outs

Several new store developments are in the pipeline for both Botswana and Namibia, which will be launched as sites become ready. We continue to adopt a measured, opportunity-driven approach, opening new stores only where there is a compelling commercial case. In parallel, we are exploring opportunities to expand our petrol station network across Botswana. Wherever possible, we prioritise partnerships with local citizen landlords, helping to establish annuity-based rental income streams that benefit individuals and their families. This approach has been consistently applied across many of our retail outlets over the years.





C Manufacturing

Due to the grain requirements to support anticipated production volumes at Foods Botswana, we will be investing in an additional maize silo later this year. This will enhance our ability to manage grain procurement and costs.

D Property developments

In due course we are likely to commence the development of our large warehouse in Gaborone North to serve as a consolidated distribution centre to support our procurement activities. The Group's size has increased over recent years and storage has been a challenge, particularly following the shortages arising due to lower production volumes by our suppliers. The estimated capex will be around P65 million and will be funded using a combination of debt and internal cashflow.

Directors

There were no changes to the Board during the year. The Board remains satisfied with its composition and depth of expertise.

Shareholder returns and dividends

We were pleased to report at our April 2025 year end, a Return on Capital Employed ("ROCE") (defined as operating profit divided by opening equity) of 19%. This is well ahead inflation which is currently around 2-5% and our cost of borrowing at around 8%.

Our share price appreciated 27% over the year, reaching P14.99 at the reporting date, underscoring market confidence despite limited liquidity. Long-term institutional investors remain committed, maintaining significant holdings.

On 24 July 2025, the Board of Directors of Sefalana Holding Company Limited declared a final gross dividend of 38 thebe per ordinary share.

The final dividend will be paid net of applicable withholding taxes as required under the Income Tax Act of Botswana, on or about Thursday 28 August 2025 to all Shareholders registered in the books of the Company at the last date to register, being close of business on Monday 18 August 2025, with an ex-dividend date of Thursday 14 August 2025.

Total Shareholder Return ("TSR") inclusive of the interim dividend of 12 thebe per share and final dividend of 38 thebe per share amounted to just over 31%. This is on the back of a 27% TSR in the previous year.

CD Chauhan
(Group Managing Director)

Sefalana Fuel Stations



Growth through diversification



At the end of the year, the Botswana FMCG business consisted of 6 hyper stores ("Sefalana Hyper"), 23 cash and carry stores ("Sefalana Cash & Carry"), 36 supermarket retail stores ("Sefalana Shopper"), 57 liquor stores ("Sefalana Liquor"), 6 convenience stores ("Sefalana Quick"), **and 6 fuel stations giving the Group a total of 134 outlets in Botswana.**



Group Finance Director's report





The FY 2025 final dividend of 38 thebe per share reflects the **Group's strong financial position and commitment to returning value to Shareholders.**

Our focus on operational efficiency, regional diversification, and disciplined capital allocation continues to yield measurable value for our shareholders.



The recent decline in diamond sales has however hurt the economy and placed considerable strain on receipts into the country. **We are hopeful that this does not translate into greater unemployment in Botswana in the interim and that political and economic reforms will help stimulate demand in the diamond sector to support growth in the economy.**



The Group maintains a pre-emptive buffer inventory level in order to ensure we are best placed to serve our customers. Inventory held at the year end amounted to P1.5 billion, a 16% increase year on year and approximately 50% greater **than the value held in April 2021.**



We recently established an AI Steering Committee which will focus on embedding artificial intelligence and **digital technologies across the business to further improve decision-making, automate processes, and enhance customer experience.**

Our strategic investment in UIH South Africa positions us to **benefit from long-term growth prospects in a recovering consumer market.**

Group Finance Director's report

(continued)



It is with emmence pleasure that I can report to you, our best results to date in our 51 years of existence. This has truly been a remarkable year with profits exceeding half a billion Pula for the first time. **We are proud of what we have achieved despite the tough economic conditions in all the territories that we are present in.**

We remain optimistic and look to a positive outlook on the Diamond sector and improved capital markets. Our diversification into the Region will allow us to lean on other more stable economies. **We look forward to a good level of growth from Namibia and our recent investment into South Africa.**



Macroeconomic overview

Botswana

The local economy remained resilient over the past five years, supported by stable macroeconomic fundamentals and continued Government infrastructure investment. While inflationary pressures were present, Botswana maintained moderate price stability, with consumer demand gradually recovering post-pandemic. Fiscal discipline and a supportive regulatory framework have continued to underpin private sector confidence.

The recent decline in diamond sales has however hurt the economy and placed considerable strain on receipts into the country. The knock on effects of limited cash liquidity has been felt across all sectors with an adverse impacts on consumer spending power. We are hopeful that this does not translate into greater unemployment in Botswana in the interim and that political and economic reforms will help stimulate demand in the diamond sector to support growth in the economy.



Key milestones



Revenue



> **P11.2 billion**

– up 15% on prior year; ▲



Gross profit



> **P792 million**

– up 14% on prior year; ▲



Profit before tax



> **P550 million**

– up 24% on prior year; ▲

Namibia

Namibia has shown steady economic performance over the last five years, although challenged by high unemployment and low consumer spending power. Government efforts to attract investment and stimulate growth through structural reforms have started to gain traction. In recent periods, the discovery of offshore oil and gas reserves has generated renewed optimism for long-term economic stimulation. We anticipate a good level of growth in our business as a result of these developments.

Lesotho

Lesotho's economy has remained subdued, largely dependent on South African trade and customs revenues. While inflation remained relatively contained, limited infrastructure development and a high unemployment rate continued to challenge growth. Nonetheless, our operations in Lesotho have demonstrated resilience and continued to expand market share.

South Africa

South Africa's economy has been shaped by power supply challenges, policy uncertainty, and subdued consumer spending. However, pockets of growth exist in the fast-moving consumer goods sector, particularly in value-oriented retail. Our strategic investment in UIH South Africa positions us to benefit from long-term growth prospects in a recovering consumer market.



Record breaking results once again!



ROCE



> **19%**

Return on Capital Employed ("ROCE") of 19%;



Total dividend



> **50t**

Total dividend of 50 thebe per share; and



TSR



> **31%**

Total Shareholder Return ("TSR") of 31%

Australia

The Australian economy has experienced low to moderate growth over the last five years, supported by a strong labour market, low but increasing interest rates, and consistent retail demand. The FMCG sector remains highly competitive, but our operations have steadily gained market share. Regulatory stability and long lease structures provide predictable long-term returns.

Group Finance Director's report

(continued)

Group financial performance overview (five-year summary)



Over the past five years, the Group has delivered a strong and consistent growth trajectory across key financial metrics, despite challenging macroeconomic conditions and external market disruptions. Our focus on operational efficiency, regional diversification, and disciplined capital allocation continues to yield measurable value for our Shareholders.



Our segment results are detailed in Note 6 to the financial statements, while the Group Managing Director's report provides an in-depth discussion of the primary drivers of performance across our operations during the year.

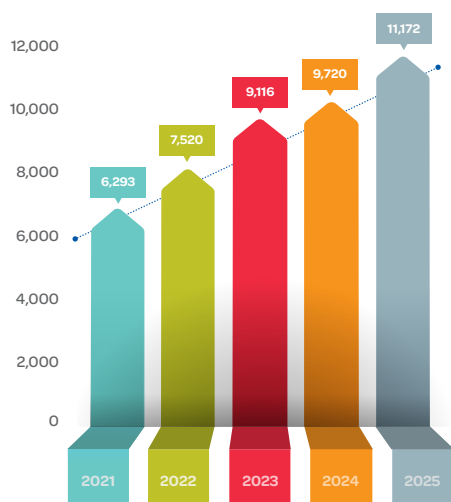
A summary of the trend of our Key Performance Indicators over the last 5 years is presented below:

1

Turnover

Group turnover has grown steadily year-on-year, rising from **P6.3 billion** in FY 2021 to **P11.2 billion** in FY 2025.

Turnover (P'000)



This represents a compound annual growth rate of just over 12%, driven by store network expansion, enhanced product offerings, and strong brand loyalty. This double digit growth rate is impressive in the context of inflation over the period which averaged around 5-6% in the Region. We see turnover growth as a key measure of market share growth and will continue to place emphasis on growing our top line.



2

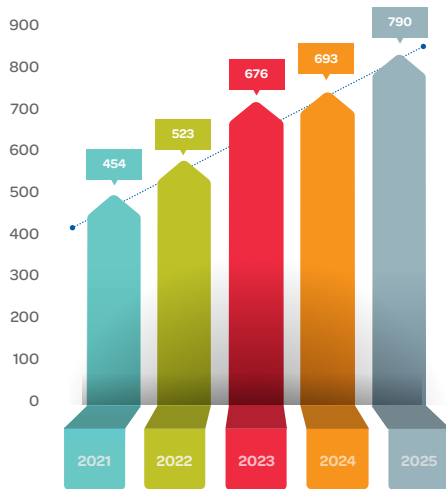
Gross profit ("GP")



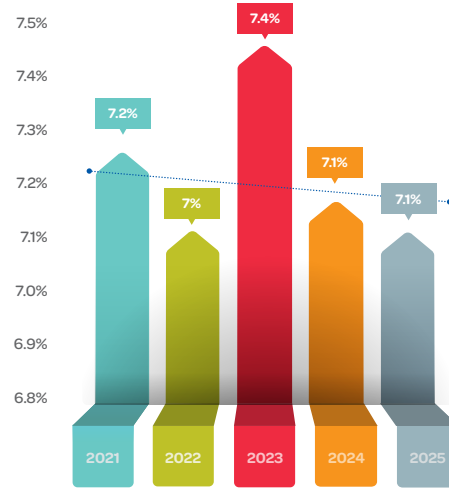
Gross profit has increased in absolute terms, reaching **P790 million in FY 2025**, up from **P454 million in FY 2021**.



GP (P'm)



GP (%)



Gross margin percentages have remained fairly flat with an average 7.2% during that period due to continued pressure from rising input costs and price-sensitive consumer behaviour. Effective procurement strategies and product mix optimisation have supported profitability. Our objective is to increase gross margin percentages by 0.5% in the next three years.

3

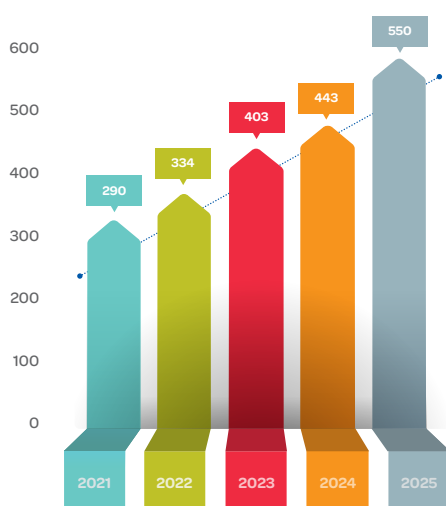
Profit before tax ("PBT")



PBT has grown consistently, increasing from **P290 million in FY 2021** to **P550 million in FY 2025**.



PBT (P'm)



This represents a compound annual growth rate of just under 14% and reflects our focused top line annualised growth rate of 12% alongside disciplined cost control, diversified income streams, and prudent investment decisions. The Group has managed to excel and increase its asset value, whilst paying our Shareholders a solid return twice each year.



Group Finance Director's report

(continued)

4

Effective tax rate



The Group's effective tax rate has remained broadly stable at approximately **23%**, consistent with prevailing tax regulations across our regions of operation.

5

Net asset position



Our net asset base has strengthened each year, increasing from **P2 billion in FY 2021** to **P2.8 billion in FY 2025**. This growth supports future reinvestment and provides a strong foundation for expansion.

6

Working capital position



The Group has maintained a healthy working capital position, with year-end current assets exceeding current liabilities. Our cash position at the year end (**P0.5 billion**) was significantly lower than amounts payable to suppliers (**P0.9 billion**), with a significant investment in inventory to support the business and reduce the level of stock outs.



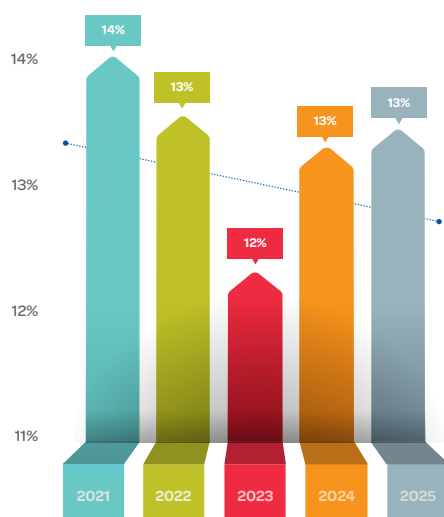
7

Inventory as a % of Turnover



Inventory holdings have remained well-managed, averaging **13% of turnover over the five-year period**, with relative increases in more recent years following the supply constraints experienced in the Region.

Inventory Ratio



The Group maintains a pre-emptive buffer inventory level in order to ensure we are best placed to serve our customers. Inventory held at the year end amounted to P1.5 billion, a 16% increase year on year and approximately 50% greater than the value held in April 2021.



8

Total Shareholder Return ("TSR")

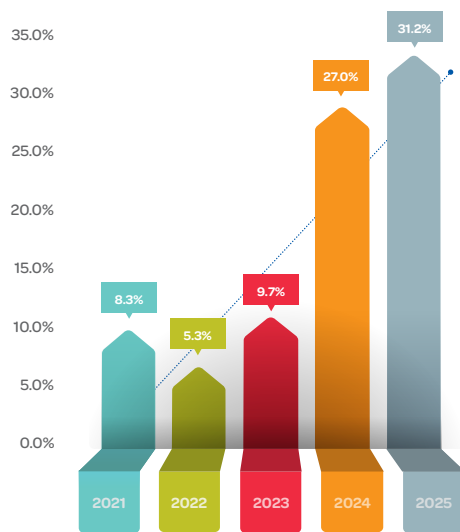


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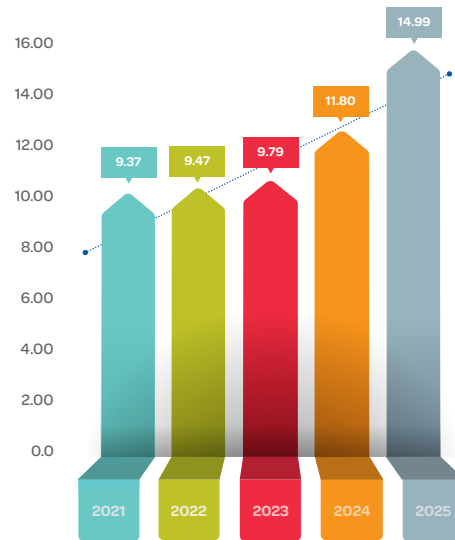
Share price movements



TSR %



Share Price (P)



TSR, comprising dividend payments and share price appreciation, has delivered attractive returns, with an annualised five-year TSR of just over 16%.



Our share price rose from P9.37 in FY 2021 to P14.99 in FY 2025, reflecting investor confidence and the Group's resilient performance. We are proud of this 60% capital appreciation.



Group Finance Director's report

(continued)

10

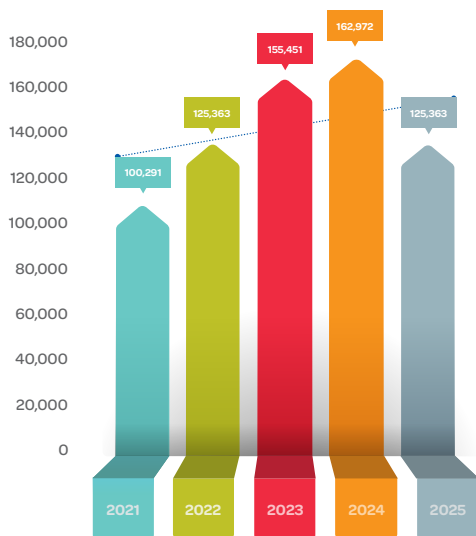
Dividends



Dividend payments have steadily increased, with a total of P669 million paid over the five-year period.



Dividends



The FY 2025 final dividend of 38 thebe per share reflects the Group's strong financial position and commitment to returning value to shareholders. This is lower than our usual payment reflecting our need to preserve cash for re-investment in the business to support growth and working capital requirements in the context of the cash liquidity crisis currently being experienced in Botswana.



Driving operational efficiency through AI and IT innovation

We have strengthened our IT infrastructure, improved data security, and deployed system integrations that allow for better visibility across regions and faster response to market changes. These enhancements position the Group to scale sustainably and maintain a competitive edge in the evolving FMCG landscape.

Our Data Analytics hub is now fully functional and is providing support to all our business units. This has provided useful insights on an efficient and timely basis to enable informed decisions on a wide range of areas including inventory management and turnover growth opportunities. We look to further enhance this Hub in the coming years.

We recently established an AI Steering Committee which will focus on embedding artificial intelligence and digital technologies across the business to further improve decision-making, automate processes, and enhance customer experience. From predictive inventory management and intelligent pricing strategies to customer analytics and supply chain optimisation, our investments in digital transformation are intended to provide the Group with tangible efficiency gains. We are excited about the developments and potential in this area.





Outlook

The key challenges we will face relate to the much-needed economic recovery required in Botswana. We remain optimistic and look to a positive outlook on the Diamond sector and improved capital markets. Our diversification into the Region will allow us to lean on other more stable economies. We look forward to a good level of growth from Namibia and our recent investment into South Africa.

The conversion of our preference share investment in UIH (effective 1 November 2025 subject to regulatory approvals) will provide us with direct exposure to the South African market and will generate a profit stream expected to contribute towards around 10% of Group profits each year. We are excited about the additional prospects this will provide the Group with in other FMCG related opportunities. We will expand on this in our next Integrated Annual Report.

In closing, I would like to recognise, congratulate, and sincerely thank the exceptional people within our business who have worked with unwavering commitment and resilience to build a strong, agile, and sustainable organisation. Their dedication has enabled us to consistently exceed expectations and deliver value to all our stakeholders, year after year.

I look forward to an amazing year ahead as we build on our basket of opportunities.

Mohamed Osman
Group Finance Director



As we look ahead, our strategy remains focused on sustainable growth focused on our core business of FMCG and related manufacturing, with emphasis on enhancing operational agility, and value creation. We will continue to explore disciplined expansion opportunities, invest in core capabilities, and build on our strong financial foundation to deliver superior returns for our Shareholders.

Sefalana wings&things



Scrumptious, crunchy chicken done right!



A brand created within Sefalana, growing from strength to strength each year.



Our new exciting chapter 2026-2030



As we conclude our successful 2021-2025 strategy cycle, we are excited to embark on the next phase of our journey: 2026-2030. **This new chapter will build upon the strong foundation we have established over the past five decades.**

Our strategy continues to focus on achieving sustainable growth through innovation, operational excellence, and consumer focus, driving further growth and transformation. **We remain committed to delivering long-term value for our stakeholders and we are confident that our strategy will enable us to succeed in an ever-changing and challenging business environment.**



Our Vision

The leading brand of choice for customers, employees and capital



Embracing technology and innovation is at the heart of our strategic approach, enabling us to optimize operations, enhance learning outcomes, and leverage data analytics to make informed decisions that meet the evolving needs of our customers.

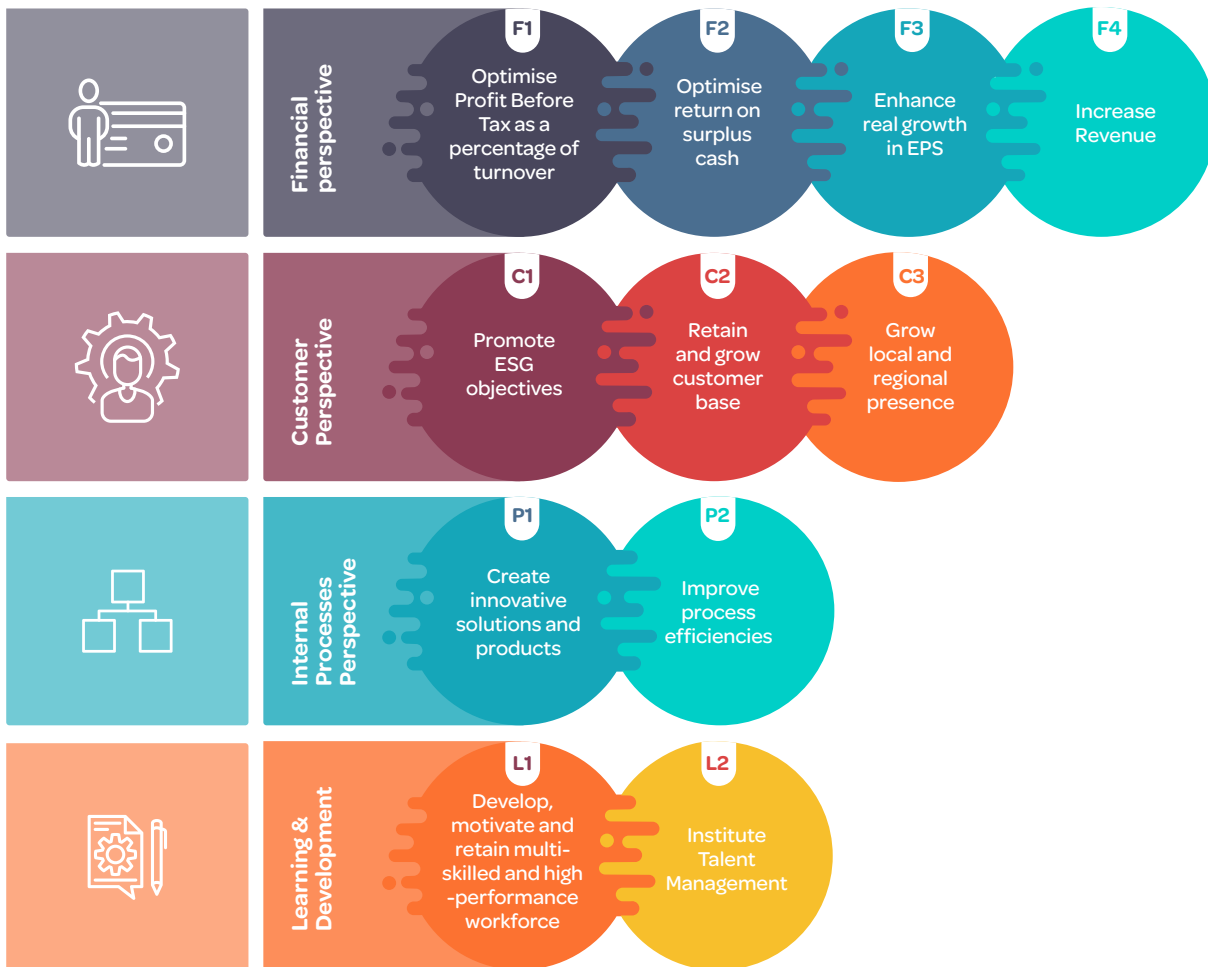
Equally important and deemed of utmost priority by the Board, is the advancement of human capital, with a continued emphasis on developing our people while attracting cutting-edge intellectual and entrepreneurial technology and talent.

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

While we have already made significant strides in integrating sustainable practices across our operations, this next phase will see ESG further rooted in our culture, decision-making and long-term objectives. We recognize that sustainable business practices are not just a responsibility- they are key drivers of enduring success.

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

Below is a summary of our strategic objectives for 2026-2030



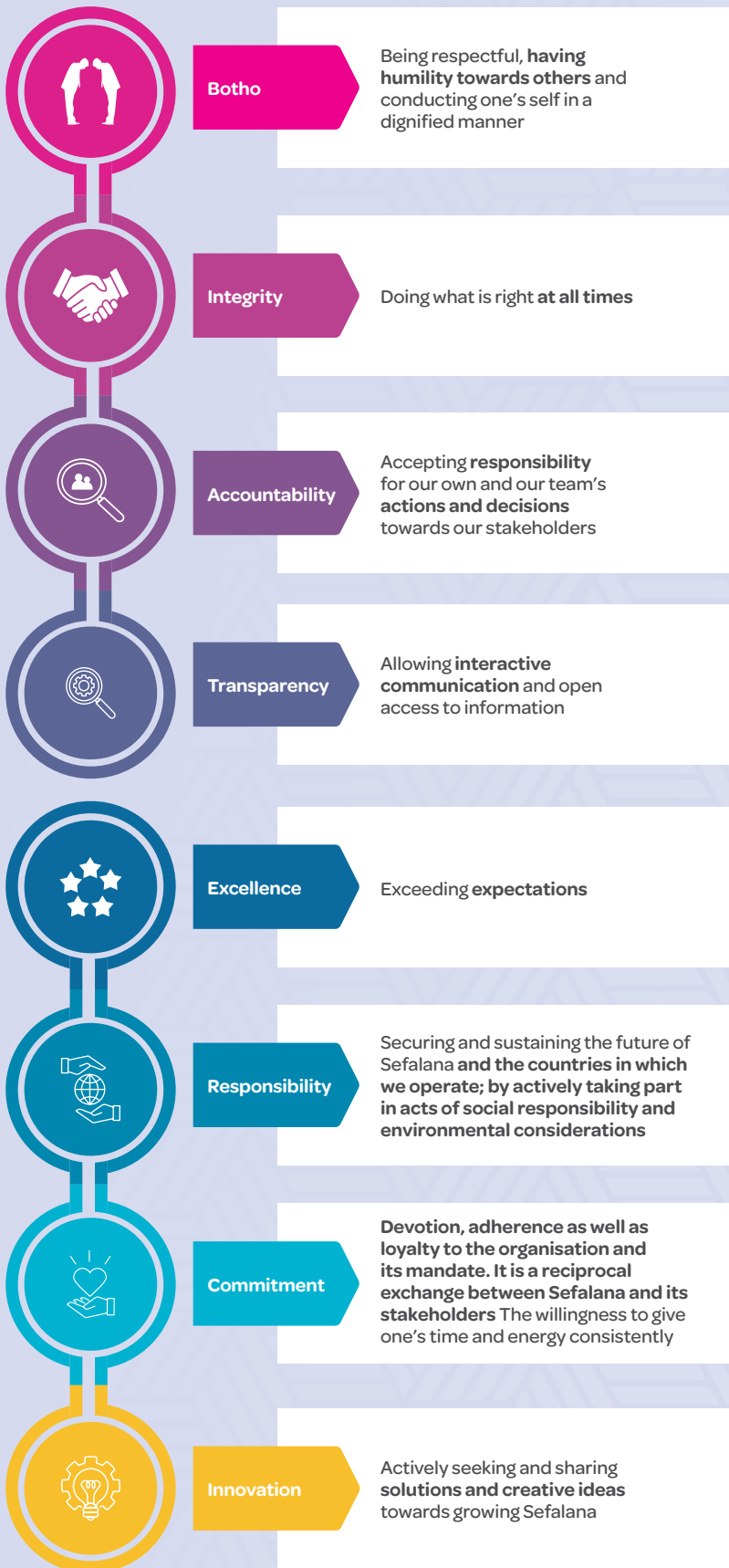
Our Values



Our Mission...

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

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



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

Sustainability and ESG report



ESG - Our commitment to responsible growth

In recent years, both consumers and investors have become more mindful of the social and environmental impact of doing business. We've seen this reflected in the shift from Corporate Social Responsibility (CSR) to the broader concept of Environmental, Social and Governance (ESG), **which has gained significant traction around the world. As this space continues to evolve, various models and frameworks have emerged to help organisations align with ESG priorities.**

At Sefalana we have embraced a wide range of sustainability initiatives including ESG, while remaining true to our overall philosophy that has guided us from the day we first opened our doors for business in 1974. To us sustainability and ESG is very simple, it is something we have been doing for the past 5 decades - **it is about giving back to the Community and behaving in a responsible manner for the long-term preservation of the environments in which we operate.**

Whether it's contributing to national development through taxes in the various geographies we operate in, supporting local community projects, **or creating meaningful jobs as we expand, ESG and sustainability is embedded in our values and how we operate every day.**

Our ESG Journey

ESG principles have been at the heart of the Sefalana Group's activities in some shape or form, ever since we commenced operations in 1974. The principles of ESG are enshrined in our organizational values and we are truly committed to being a responsible, sustainable and value-adding corporate citizen of the Communities within which we are privileged to operate.

As we enter the third year of our ESG enhancement initiative, we're proud of the progress we've made and the work still ahead. The goal has always been to align our ESG practices with globally recognized standards and frameworks, and we're steadily moving in that direction. Since launching the Initiative in 2023, we've made meaningful strides – from adopting a clear ESG framework to identifying key metrics that guide our efforts. We've also set measurable targets across several focus areas, marking a significant step forward in how we approach ESG across the business.



This year, our focus has been on putting plans into action. We've continued to improve how we track and report on ESG data, ensuring that our efforts are not just in line with global best practices, but also delivering real value for the communities and stakeholders we serve.

This initiative plays an important role in advancing the principles of responsible investment and credible corporate citizenship. It's worth emphasizing once again that ESG is not a new concept for Sefalana. For many years, the way we conduct our business has reflected the values and principles that underpin ESG, long before the term itself became widely recognized. We believe our longstanding commitment to ethical, responsible, and community-focused practices has consistently demonstrated what good corporate citizenship looks like in action.



SUSTAINABLE DEVELOPMENT GOALS



Every business unit within Sefalana contributes towards the overall ESG initiatives. In 2021, the Group adopted 13 of the 17 United Nations Sustainable Development Goals (SDGs) into our corporate social responsibility strategic pillars. **The SDGs were deemed an appropriate framework for guiding our ESG initiatives on appreciation that all the geographies within which we operate are UN member states and are committed to furtherance of the espoused goals.**

The sustainability landscape, however, is continuously evolving, with various institutions worldwide developing guiding frameworks on sustainability reporting. Botswana until recently did not have a preferred framework, so we have studied similar businesses across the world to identify the most suitable framework for us. The Botswana Stock Exchange recently launched its guiding framework for locally listed entities. We are pleased to note that the work we have done so far, is largely aligned to this framework.

Having referred to and considered a number of these frameworks, we had tentatively concluded that the Sustainability Accounting Standards Board (SASB) and Global Reporting Initiative (GRI) as the most relevant frameworks to guide the Group's ESG activities and reporting. The SASB is an affiliate of the body which develops the financial reporting standards to which we are already compliant. The Botswana Stock Exchange took a similar approach.

Sefalana Group has traditionally concentrated its efforts towards four key pillars of giving back, these are closely aligned to 13 of the 17 United Nations Sustainable Development Goals. In the past year, these have been enhanced into the three E-S-G pillars that are consistent with MSCI ESG measurement metrics applied by organizations across the world.



Sustainability and ESG report

(continued)

ESG Governing Structures



ESG Governing structures

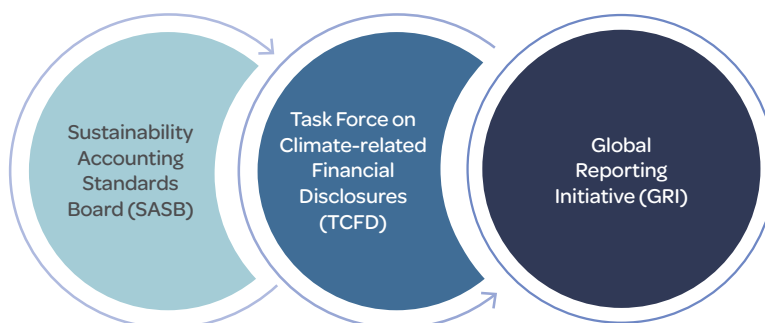
In recognition of the increasing importance of ESG factors in long-term risk management and sustainable value creation, we have integrated the ESG Steering Committee into the Risk and Sustainability Committee. This decision ensures a unified governance structure that promotes deeper alignment between ESG initiatives and our overall risk management and strategic planning processes. The integrated committee is now responsible for driving ESG accountability, monitoring progress against our roadmap, and ensuring that sustainability considerations are embedded into business decisions across all levels of the organization.



Progress during the year

Building on the work initiated last year with a globally recognised consulting partner, Sefalana Group continued to refine its ESG approach over the past year. As part of that initial engagement, the consultancy benchmarked our ESG performance against industry peers both regionally and globally, and assessed our reporting practices in comparison with available market-related ESG reports. The objective was to propose relevant and achievable metrics for adoption within our ESG reporting framework.

The determination of suitable metrics was guided by the below listed international standards and guidelines, among others:



Following the identification of the 17 ESG focus areas most relevant to our business, we remain committed to reporting across all of them. So far, we've made strong progress and are actively reporting on 12 of these focus areas. Efforts are ongoing to address the remaining 5, and we're focused on continuing this momentum. This progress reflects the meaningful steps we're taking to build a more sustainable and transparent business that creates long-term value for all stakeholders.

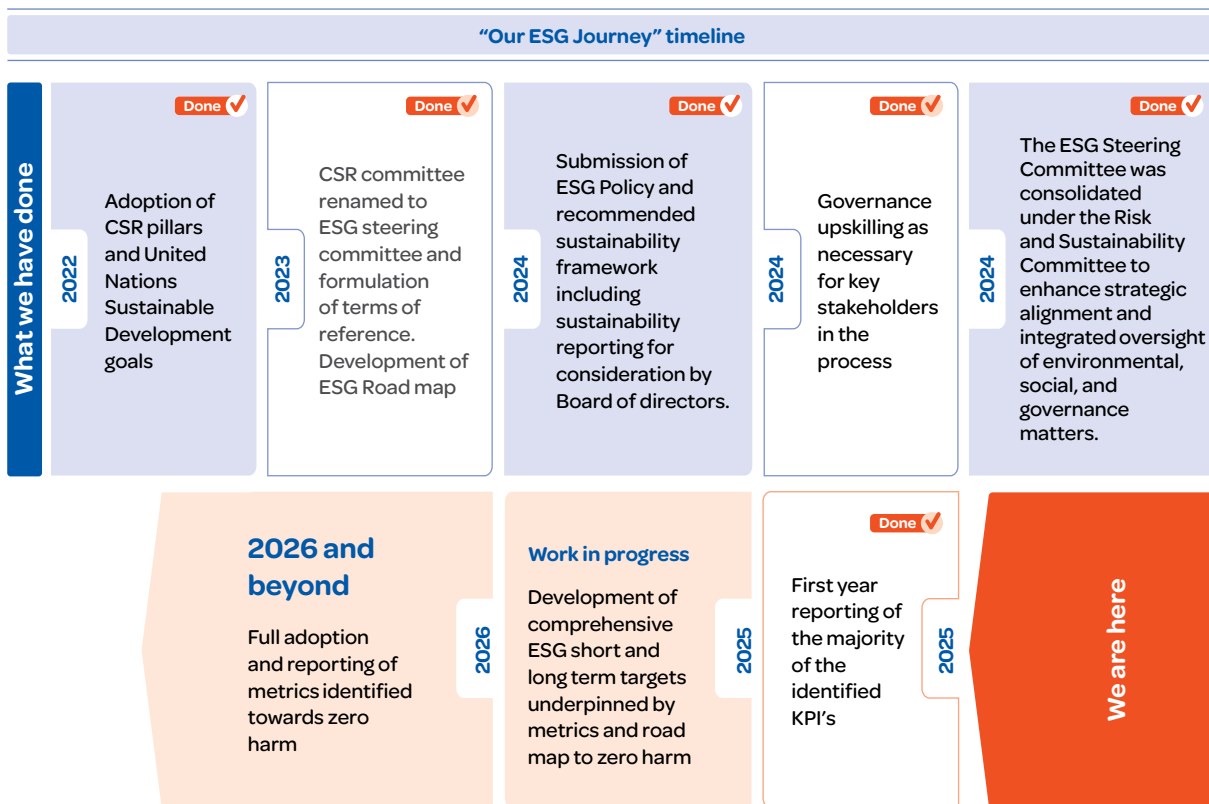
The integrated committee is now responsible for driving ESG accountability, monitoring progress against our roadmap, and ensuring that sustainability considerations are embedded into business decisions across all levels of the organization.



As part of our continued ESG journey, we also took steps this year to further strengthen and streamline our approach. Working closely with our local citizen consulting partner, we revisited the 17 ESG focus areas identified last year and consolidated them into nine broader themes. This restructuring allows for a clearer roadmap, better alignment with our strategic priorities, and ensures that all original areas remain represented within the new framework.

One notable enhancement was the decision to treat food safety as a standalone focus area, rather than including it under a broader theme. Given the nature of our operations and the direct link between food safety, public health, and consumer trust, we recognized the importance of tracking and reporting on this area independently. This decision also reflects growing stakeholder expectations around product quality and safety.

In addition, we aligned our ESG framework with the Botswana Stock Exchange's (BSE) new Sustainability Disclosure Requirements, which came into effect during the year. This alignment ensures compliance with emerging regulatory standards and reinforces our commitment to transparency and responsible business practices.

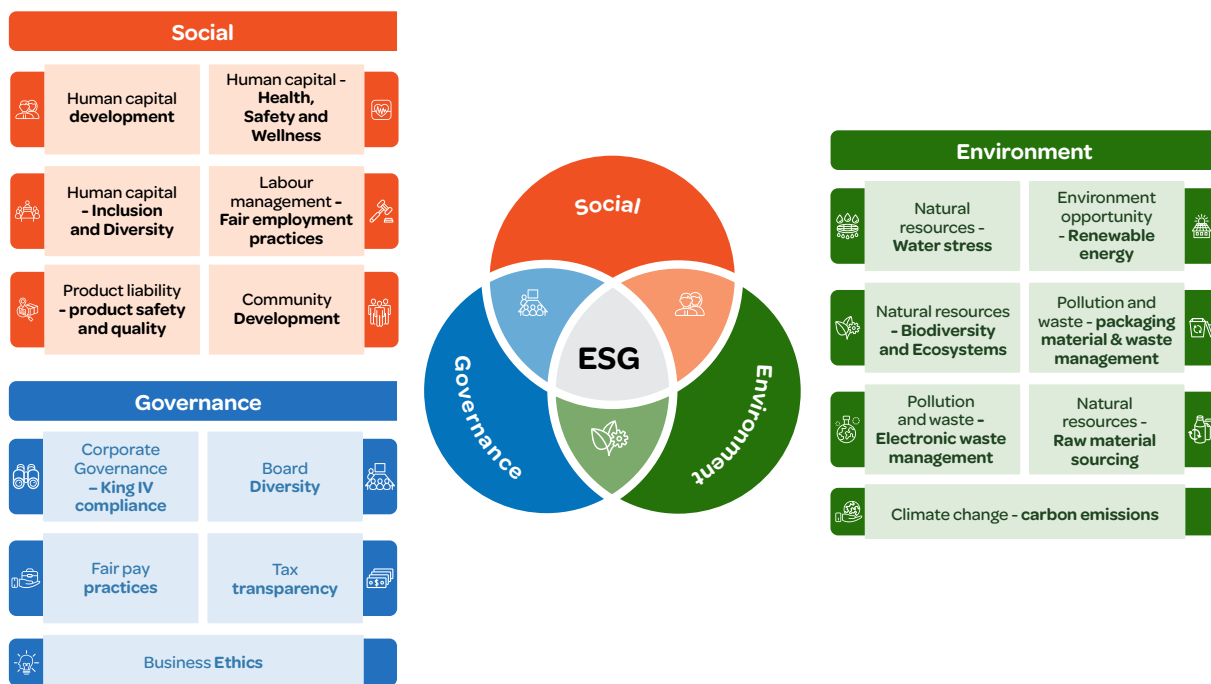


Sustainability and ESG report

(continued)

Addressing the E, the S and the G

Through our Risk and Sustainability Committee (previously the Sustainability Committee) we have identified a number of areas where we have focused our efforts. These span a range of sectors and disciplines.



Partnering with Farmers for sustainable growth

Across our Group, we are committed to supporting local agriculture by building reliable, long-term relationships with farmers. Through our Fresh Produce and Milling divisions, we contribute to sustainable livelihoods, strengthen national food security, and promote economic inclusion in the communities where we operate.

Our Fresh Produce business works directly with local farmers to ensure a consistent and responsive supply chain. Each year, we partner with around 20 large-scale and over 400 small-scale farmers. We engage early in the planning process, collaborating on cropping plans to align production with demand. Once these plans are in place, we commit to purchasing their produce as agreed, providing them with certainty and helping build trust.

For small-scale farmers, we use a decentralised supply model where they deliver directly to nearby stores. While we do not have a formal assistance programme, we offer financial assistance to long-standing large-scale partners, through a contract farming arrangement.





Foods Botswana sources maize, sorghum, and soya for its milling operations, primarily from commercial farmers based in Pandamatenga and the Tuli Block. While the majority of our current suppliers are commercial-scale, we remain open to engaging with small-scale farmers who can meet grain requirements.

On average, we procure 30,000 metric tonnes of locally grown sorghum annually (valued at approximately P120 million), though in drought years this may be supplemented by imports.

Although there is no formal farmer support programme, we have on occasion provided financial assistance to commercial farmers upon request. In two such instances, funding enabled the successful production of sugar beans and maize specifically for our needs. We continue to support our suppliers by purchasing at competitive market prices.

In addition to grain procurement, we supply around 10,000 metric tonnes of milling by-products (bran/chop) to livestock farmers across Botswana each year. This provides an important feed source during dry seasons and periods of drought, supporting broader agricultural resilience.

1 Environmental

Sefalana is committed to fostering a culture that values environmental awareness, encourages stewardship across the Group, and implements practical, measurable actions to reduce our impact wherever possible.

We recognise that our operations, by their nature, have the potential to impact the environment through carbon emissions generated by our delivery fleet, electricity usage across our stores, the broader environmental exposure with plastic use and its effect on biodiversity. We remain acutely aware of these impacts and are dedicated to managing our environmental footprint responsibly.

Sefalana is committed to fostering a culture that values environmental awareness, encourages stewardship across the Group, and implements practical, measurable actions to reduce our impact wherever possible.

Our policy is to ensure that all our operations adopt responsible, sustainable practices that create value not only for our shareholders and employees but also for the broader community and environment. **We aim to apply environmentally sound practices across the Group, with a clear focus on reducing our consumption of energy and water, limiting emissions, and actively minimising and recycling waste.**

We work to achieve this through strong leadership and alignment at both Board and business unit level, guided by a set of core principles:

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

Sustainability and ESG report

(continued)

Some specific examples:

a¹

Natural resources - Water stress



Climate change is expected to increase water stress globally, making efficient water use more important than ever. At our milk manufacturing plant, we've implemented modern water recovery systems that recycle a portion of water used in production for use in outdoor gardening.

Similarly, the Foods Botswana milling division operates a borehole system that supplies water to the facility's toilets and fire hydrants, significantly reducing reliance on public water supply and helping to manage water costs.



b¹

Natural resources - Biodiversity and Ecosystems



Sefalana currently does not operate any sites located near areas of high biodiversity. However, should future expansion bring operations into such areas, the Group is committed to allocating the necessary resources to rehabilitate and offset any potential impacts on biodiversity and ecosystems.



c¹

Environment opportunity - renewable energy



To reduce reliance on traditional energy sources and lower our carbon footprint, the Group has made significant strides in adopting renewable energy solutions across its operations.

Our Metro operations in Namibia, have reinforced this commitment by installing solar panels across the majority of their stores and the head office, contributing meaningfully to its overall energy needs. Meanwhile, a similar solar rollout is now underway in Botswana, extending these sustainability efforts across the region.

In addition to our retail network, several of our facilities have also adopted energy-efficient technologies. Our head offices in Botswana and Namibia are equipped with energy-saving and motion-censored lighting, which has led to a notable reduction in electricity usage and contributed to our broader carbon reduction efforts.

At Foods Botswana Beverages, solar panel capacity has been increased from 60kW to 150kW. This expansion not only reduces reliance on grid power during daylight hours, but also allows excess energy to be fed back into the grid, delivering both cost savings and environmental benefits over time.

Looking ahead, the Group intends to develop a more structured transition plan outlining our targeted mix of renewable and non-renewable energy. This plan will include clear metrics and timelines to track implementation and progress and will form part of our long-term sustainability strategy.





d¹ Pollution and waste - packaging material & waste management



The Sefalana Group prioritizes responsible pollution control and effective waste management across all its operations. In Lesotho and Namibia, we work closely with local recyclers to manage plastic, cardboard, and paper waste.

At Foods Botswana Milling, we further minimize environmental impact by selling metal waste to scrap companies, ensuring valuable materials are responsibly recycled.

Foods Botswana Beverages recycles discarded milk by providing it to local farmers as nutritious feed for pigs, turning what would be waste into a valuable resource.

Similarly, discarded produce waste from the Sefalana Fresh Produce division is also repurposed as animal feed, contributing to the local agricultural community.

Commercial Motors exemplifies responsible waste management through careful handling of hazardous materials. Waste oil from vehicle servicing is collected via a centralized suction system, securely stored, and managed by trusted service providers to ensure safe recycling or disposal.

Notably, Sefalana Lesotho has successfully implemented a waste reduction program that has reduced packaging waste by 15%.

e¹ Pollution and waste - electronic waste management



The Group partners with specialized third-party experts to ensure responsible recycling of electronic waste. **Given the size of our workforce, there is an ongoing need to replace IT equipment in an environmentally responsible manner. We use a number of local companies to assist with this.**

f¹ Natural resources - raw material sourcing



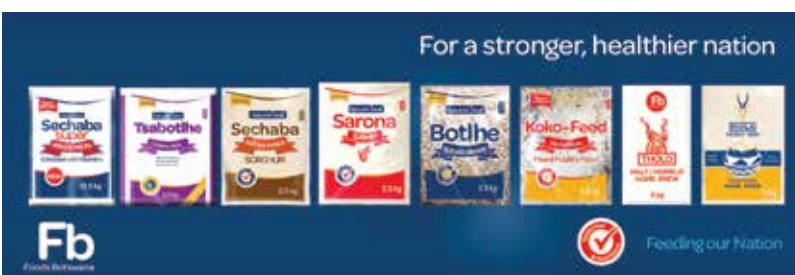
Sefalana, through its Foods Botswana subsidiary, operates two food production plants in Botswana: a Milling plant and a Beverage plant. **We make every effort to ensure that raw materials used in production are sourced from fully organic suppliers and, whenever possible, procured from local farmers. This approach helps support and uplift local communities.**

g¹ Climate change - carbon emissions



The Group's solar installation project in Botswana has resulted in a significant reduction in carbon dioxide emissions, saving several hundred tons - the equivalent of preserving over 1,500 trees this year. In Namibia, similar solar initiatives have delivered meaningful emissions savings of several thousand tons, further advancing our efforts.

In Lesotho, optimizing delivery routes has reduced fleet fuel consumption and associated emissions. Additionally, both Foods Botswana and Lesotho have transitioned to energy-efficient, low-power LED lights across their operations.



Green energy solar power project - Botswana

5 sites in Botswana have been earmarked to convert to solar power, Sefalana Shopper Setlhoa was completed in June 2022.





Sustainability and ESG report

(continued)

2

Social

In Botswana, we continue to play an active role in addressing the shortage of citizen Chartered Accountants by participating in the Botswana Institute of Chartered Accountants (BICA) qualification program.

a²

Human capital development



Training and professional development

Over 6,000 hours were invested in employee training across various disciplines during the year, reinforcing the Group's commitment to supporting staff in achieving their professional goals. In Botswana, we continue to play an active role in addressing the shortage of citizen Chartered Accountants by participating in the Botswana Institute of Chartered Accountants (BICA) qualification program. Our Group Finance Director serves as the Qualified Person Responsible for Training (QPRT), providing mentorship and ensuring that trainees receive robust on-the-job experience to help them qualify as Chartered Accountants. He also represents Botswana in the Institute of Chartered Accountants of England and Wales (ICAEW), strengthening the support available to local BICA candidates. This is further underpinned by the reciprocal support agreement between BICA and ICAEW, which ensures that aspiring professionals receive world-class guidance and development as they advance in their careers.

In Lesotho, four Accountancy trainees were enrolled in a program designed to support their admission to the Association of Chartered Certified Accountants qualification. The program offers relevant work experience and financial assistance for examinations and study materials. Furthermore, Sefalana Lesotho is taking steps

to become a recognized training employer - a crucial initiative to help address the current skills shortage in the country's accountancy profession.

Metro Namibia continues to place strong emphasis on workforce development as a core component of its operational strategy. In the 2025 financial year, over 37 training sessions were conducted, reaching more than 500 employees. These sessions were delivered through a combination of in-house programs and training facilitated by external consultants and institutions. This investment in upskilling reflects Metro's ongoing dedication to cultivating a knowledgeable and capable workforce, aligned with the broader Group's commitment to professional growth and continuous learning.

Beyond internal workforce development, the Group also contributed to human capital development within the broader community through a range of educational support initiatives.

Youth development

Support for science and innovation (Sefalana Lesotho – LSMITA)

Sefalana Lesotho, through LSMITA, proudly sponsored the Lesotho Schools Science Fair Finals, providing prizes to recognise and reward young talent. This initiative promoted academic excellence and innovation, inspiring the next generation of scientists and problem-solvers.



LeSMA- Lesotho schools music competition

Sefalana Lesotho proudly sponsored the Lesotho Schools Music Association (LeSMA) competition, which brought together approximately 150 primary and secondary schools from across the country. The event celebrated musical talent, cultural expression, and unity among the youth. Through the provision of prizes, snacks, and refreshments, the sponsorship promoted creative expression, supported arts in education, and strengthened community engagement.



Primary School – Golf Day sponsorship

Sefalana partnered with a number of primary schools and their PTA to sponsor prizes for the annual Golf Festival. This week-long event celebrates community and camaraderie while raising funds to support the schools scholarship programme, which identifies and assists high performing government schools within the communities.

Other Initiatives

The Foods Botswana Milling division donated and installed a sliding gate at Newtown Primary School in Serowe, improving the school's infrastructure and safety.

Financial contributions were also made to Swaneng Hill School to assist with their academic prize-giving ceremony, and to Motetshwane Primary School's employee retreat, promoting staff well-being.

Additionally, a donation was made to Motalaote Primary School to support the celebration of Teachers' Day, recognizing the vital role educators play in shaping future generations.

b² Human capital - health, safety and wellness



Our focus on cultivating a safe, healthy, and supportive work environment remains a key priority within our human capital strategy. This commitment extends beyond compliance to include ongoing training, mental health support, and proactive wellness initiatives. Over the past year, we strengthened our workplace health and safety practices through targeted awareness campaigns, continued hygiene support, and enhancements to our wellness programs.

Employees are regularly equipped with the knowledge and skills to maintain safety standards, and we actively promote a culture of care and resilience across the business. We are continuously building on this aspect year after year, expanding participation in wellness activities and introducing new platforms that support both physical and mental well-being. Our approach continues to evolve in line with the changing needs of our workforce. More importantly, this commitment to health, safety, and wellness extends beyond our employees to positively impact the wider communities in which we operate.

Organized fitness programs, including active participation in football teams, to encourage teamwork and promote physical well-being;

Sefalana Lesotho boasts strengthened quality assurance processes, achieving 100% compliance with stringent health and safety standards;

Foods Botswana Celebrated Labour Day with employees through a 5km community walk, aerobics sessions, and spirited football games for their employees.



Sustainability and ESG report

(continued)



"Walk with Us" Breast cancer awareness sponsorship

Metro Namibia made a significant impact this year by proudly sponsoring prizes for the Walk with Us charity event, a breast cancer awareness walk. With the increase in cancer cases over recent years, this has become a greater focus area for us. We are working with laboratories to assist with early testing and detection and will continue to focus in this area.

CMC Wellness Run sponsorship by Metro

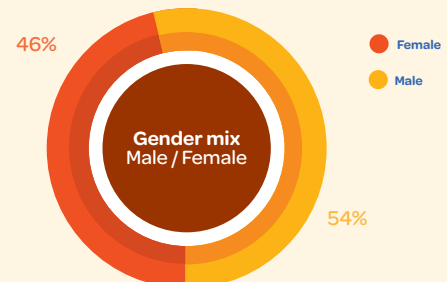
Metro Namibia proudly sponsored the CMC Wellness Run, demonstrating their ongoing dedication to promoting health and wellness in the community.



c² Human capital - inclusion and diversity



Our total staff complement grew by 938 this year, reaching 8,172 employees across the Group. Female representation was 46%, remaining within our targeted range of 45% to 55%, while male representation stood at 54%. **Sefalana remains committed to inclusive hiring practices, ensuring that local communities benefit from employment opportunities. In line with the previous year, 99% of our workforce in each country of operation comprises local citizens.**



d² Labour management - fair employment practices



Sefalana is committed to providing a fair, inclusive, and equitable workplace. We maintain a zero-tolerance policy toward discrimination based on race, gender, religion, class, sexual orientation, or creed. Our culture promotes high performance while fostering an environment where diversity is respected and employees are empowered to express themselves freely.



e² Opportunities in nutrition & health - general feeding schemes

Sefalana takes pride in operating within an industry closely connected to nutrition and health. Across the Group's diverse geographies, our subsidiaries have launched various initiatives aimed at improving the lives of communities by providing access to food and nourishment.

Some of these projects are highlighted below:

Polokong Elderly Centre feeding initiative (Foods Botswana):

Foods Botswana provides monthly food supplies to the Polokong Elderly Centre in Maun, supporting the Centre's outreach program dedicated to feeding elderly community members.



Pabalelong Hospice support (SFP & Foods Botswana):

Sefalana Fresh Produce donates fresh produce and assorted groceries to Pabalelong Hospice, enhancing the quality of life for patients. Foods Botswana further supports this initiative through monthly food deliveries, aiding both at-home patient care and transportation logistics for medical treatment.

Sefalana Lesotho: Empowering Footprints of Hope

Sefalana Lesotho partnered with a local non-profit organization, Footprints of Hope, for a community outreach program to support vulnerable households. The company sponsored essential food supplies to the identified families in Quoling.



SOS Children's Village assistance (Foods Botswana Milling):

Foods Botswana Milling contributes over 200 bags of Tsabotlhe monthly to SOS Children's Village, ensuring sustained nutritional support for children in need.



Community feeding support (Sefalana Cash and Carry):

Through Sefalana Hyper Francistown, 100 food hampers were sponsored to assist vulnerable members of the local community. This was a very well received donation drive as the recipients were from local villages where adequate food is not always available.



SEFALANA CHANGES LIVES



Flood Relief Support to Affected Communities



In February 2025, Sefalana responded to the widespread floods by donating 840 food hampers valued at P250,000 to communities affected by the disaster. The relief effort was carried out in three separate drops across Mokubilo, Mokoboxane, Xhumu, Mochudi, and Tlokweng. **This donation took place immediately after the floods as we were conscious of the significant adverse impact this had on our community.**



Mokubilo, Mokoboxane and Xhumu villages received 240 Food hampers



Tlokweng: Flood Relief food hampers handover



Mochudi: Flood Relief food hampers handover



Sustainability and ESG report

(continued)



Sports and cultural activities

Support for local sports development- LMPS (Lesotho)

Sefalana Lesotho sponsored the Lesotho Mounted Police Service (LMPS) Football Club by providing soccer jerseys and food parcels. This initiative enhanced team morale improved the club's professional image, and supported player well-being.



Sponsoring Tsabotlhe Men's Football team (Foods Botswana Milling)

Foods Botswana Milling extended its support to the Tsabotlhe Men's Football Team through sponsorship aimed at promoting local sports and community engagement.



Support for SAIMISA Games (Botswana)

Foods Botswana Milling provided financial support to the Local Authorities & Health Inter Sport Association to facilitate the hosting of the Southern African Inter-Municipal Sports Association (SAIMISA) Games.



Caddy Golf tournament sponsorship (Lesotho)

Sefalana Lesotho sponsored prizes for the Caddy Golf Tournament, an initiative aimed at uplifting underprivileged caddies by recognising their hard work and dedication. This sponsorship promoted inclusion, boosted morale, and reflected our ongoing commitment to sports development and social equity within the broader golfing community.

Sefalana sponsored 5-a-side football tournaments, with active participation from Sefalana teams.



Hit for Hope Namibia Golf Day-Metro

Metro proudly sponsored the Hit for Hope Namibia Golf Day, an event dedicated to raising funds and awareness for cancer support services.



Sefalana supported the Run Gabz by Night Marathon, an event focused on raising awareness and contributing to the fight against Non-Communicable Diseases and crime.

Sefalana backed the Botswana U13 "Baggy Blues" team in their participation at the Africa Continental Cup, supporting youth development and sporting excellence.

g² Community development



Foods Botswana Beverages division donated 85 blankets to Hope for the Future. With the winter season, a number of members in the community do not have adequate bedding to keep them warm.



Foods Botswana Beverages division donated over 280 cases (6,720 bottles) of water to various organisations and events, including the Pink Run, Play Without Boundaries, Kwa Isong Cultural Festival, Ministry of Agriculture, Department of Occupational Health and Safety, Botswana Cricket Association, and GSRC Club.

Foods Botswana Beverages division donated nappies to Ditshwanelo – centre for Human Rights, in support of their care initiatives.

Foods Botswana Milling division donated funds to the Moletemane Village Development Committee (VDC).

Foods Botswana Milling division sponsored the annual Farmers Day hosted by the Mmabothubela Farmers Association.



Sefalana Lesotho: Montego Basotho breeders dog show sponsorship

Sefalana Lesotho, in collaboration with Montego, proudly sponsored the Montego Basotho Breeders Dog Show. The event brought together breeders, pet owners, and pet industry stakeholders in a fun, family-friendly environment. It also promoted pet wellness and community engagement while offering veterinary services such as rabies vaccinations—contributing to broader public health efforts and enhancing brand visibility.



Cycle4Life: Cape Epic sponsorship

Sefalana provided a cash donation to sponsor a local cycling club, enabling their participation in regional sporting events such as the Cape Epic.

Community support: Mompoti Kenosi

In response to an initiative by the BDF XI Sporting Club to support Mr. Mompoti Kenosi, a disabled member of the Thamaga community, Sefalana joined hands with other community members to make a meaningful impact. As part of this collaborative effort, Sefalana committed to providing a year's supply of toiletries and essential food items to support Mr. Kenosi's well-being.



Support for National spelling bee finals

Sefalana supported the Botswana National Spelling Bee Championships by providing refreshments to competitors and guests on the day of the event. In a special highlight, Sefalana also celebrated the remarkable achievements of three students—Letshego Modibedi, Maatla Morutwa, and Kabo Magetse—winners of the 1st SADC Spelling Bee Competition for the Deaf held in Zambia.

To honour their success, Sefalana awarded each student and their families with prizes comprising vouchers and food hampers.

UB Deaf awareness event

Sefalana provided support to students from the University of Botswana's Early Education – Special Needs class during their on-campus Deaf Awareness Event. The initiative aimed to raise awareness and promote inclusion for deaf and hard-of-hearing students, reinforcing the importance of accessibility and equal opportunities in education.

Sustainability and ESG report

(continued)

BSE: ASEA conference sponsorship

Sefalana was a proud associate sponsor of the ASEA Conference held in November 2024. The event featured insightful presentations and panel discussions on critical issues affecting African capital markets, aligning with broader efforts to support economic growth and development in Botswana.



BDF Defence command and staff college culture day

Sefalana supported the Botswana Defence Force Defence Command and Staff College's initiative to promote Mind-Set Change by encouraging cultural diversity and inclusion.

Bobirwa cultural day

Sefalana supported the inaugural Bobirwa Cultural Day in Bobonong, celebrating the rich traditions of the Bobirwa culture under the theme "History and Heritage. Our Bobirwa Pride."

Kgalagadi Golf Classic: Regional golf classic sponsorship

Sefalana supported the Botswana Circuit of the Kgalagadi Golf Classic, a key event within the Southern Africa tripartite golf circuit, by sponsoring prizes.

Collaboration with the Lions Club to support Childline

Sefalana sponsored the Gaborone Central Lions Club by providing refreshments for their "Up Kgale Challenge," a community event aimed at raising funds for Childline.

Eve's Club charity gala sponsorship

Sefalana sponsored prizes for the Eve's Club charity gala and dinner dance. As one of Botswana's oldest and most active fundraising charitable clubs, Eve's Club comprises women from diverse socio-economic backgrounds who unite to support the community through medical assistance, housing, feeding initiatives, clothing, and education.

Lentsweletau-Mmopane: mindset change

Sefalana sponsored food and refreshments for the Mindset Change Day event held in Lentsweletau-Mmopane. This one-day workshop aimed at teachers from Lentsweletau and surrounding villages—including Dikgatlong, Kgope, Medie, and Ditshukudu—focused on fostering community development and positive change.

Journey of Hope: Big Journey 2024 sponsorship

Sefalana proudly sponsored the Journey of Hope's Annual Big Journey in 2024. This nonprofit organization travels across Botswana to raise breast cancer awareness, conducting thousands of examinations including biopsies, cytology tests, lumpectomies, and referrals for further treatment.

Sefalana Cash & Carry: Sefalana all breeds dog walk

Sefcash proudly sponsored the All-Breeds Dog Walk from Sefalana Hyper Francistown, bringing together dog breeders, pet owners, and dog enthusiasts for a fun and engaging community event.



Sefalana Golf Day

Sefalana sponsored a hole at the Sefalana Cash & Carry golf day.



Future media and Metro Namibia collaboration

In another collaboration with Future Media, Metro Namibia sponsored items to support ongoing community and educational initiatives.



Hit for Hope annual partnership

Hit for Hope is an annual CSR partnership between Future Media and Metro Namibia. This project, with a total investment of approximately N\$40,000, is dedicated to supporting education initiatives across Namibia.



Banner Groups & Sefalana build clinic shelters

In partnership with the Banner Groups, Sefalana sponsored the construction of patient waiting shelters at Mmadikola and Mokoboxane Clinics in Boteti. The initiative, valued at P85,000, forms part of ongoing CSR efforts to improve access to dignified healthcare infrastructure in underserved communities. The shelters protect patients from harsh weather while they wait for care, enhancing comfort and supporting better service delivery at the clinics. The gesture was met with gratitude by community leaders, government officials, and residents alike.



Product liability - product safety and quality



Sefalana maintains a strong commitment to product safety and quality through a stringent procurement process that prioritises credible suppliers with high standards. Our supplier pre-screening ensures alignment with our ethical values and operational expectations.

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

Big-50 Birthday Promotion



Sefalana Big-50 “Wanna-be-a-millionaire” Birthday Promotion



This year the Group celebrated its 50th anniversary of operations and launched Botswana's biggest ever FMCG birthday promotion. This “wanna be a millionaire?” competition ended in December 2024 where one lucky winner walked away with P1 million in cash. In addition, there were two individuals who won P500,000 cash each, ten who won P100,000 cash each, 71 won P50,000 cash each and over 1,800 smart phones were given away. **This was a very successful competition and changed the lives of several people across the country. We are very proud to have been able to give back to our valued customer base.**

BIG-50 Birthday Bonanza

Promotion starts 10 June 2024 ends 06 December 2024

Shop, scan your Sefalana Rewards card to enter & WIN

SPEND P150
or more and stand to **WIN!**

Wanna be a millionaire?

1st PRIZE

One Million Pula!

CASH

2nd PRIZE

Half a Million Pula x 2

CASH

3rd PRIZE

One Hundred Thousand Pula x 10

CASH

4th PRIZE

Fifty Thousand Pula x 71

CASH

5th PRIZE

1846 Smart phones

CASH

How to enter

- Spend One Hundred and Fifty Pula or more in any Sefalana Cash & Carry, Sefalana Hyper, Sefalana Shopper, Sefalana Liquor or Sefalana Shopper "The Big One" Store.
- At least three (3) items on promotion MUST be included in your purchase.
- Customer must have a registered Sefalana rewards card.
- Present your registered Sefalana Rewards Card to the cashier, who will scan it and you will be automatically entered into the competition.

Eligibility criteria

- Purchase must include any participating brands. Participating brands will vary for each promotion for the duration of the campaign, however each advertised item on the promotion will be a participating brand. Additionally, promotional wobblers and hanging mobiles will be placed on the shelves indicating the brands on promotion.
- Competition is open to persons aged 18 years and above.
- The competition is not open to any Sefalana Group employees or employees of its subsidiaries and their immediate family members.
- Terms and conditions apply.



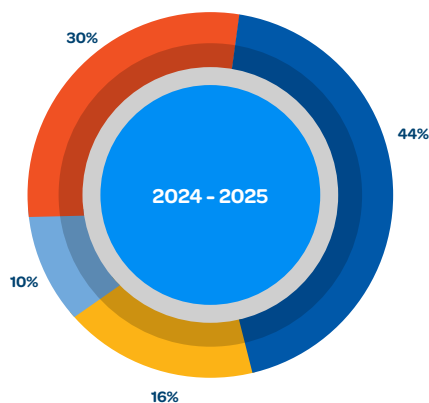
1 846 lucky customers received a Samsung Smart phone each as a thank-you token for supporting Sefalana over the past 50 years.



Sustainability and ESG report

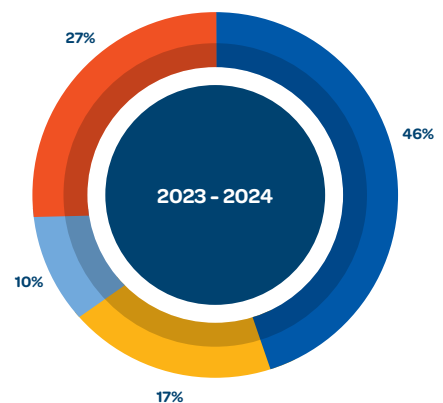
(continued)

Value added statement			
		2025	2024
		P'000	P'000
Wealth created			
Revenue		11 173 673	9 720 308
Payments to suppliers and providers of services		(9 947 569)	(8 686 490)
Value addition		1 226 104	1 033 818
Absorbed in operations of associated companies		(6 716)	(18 041)
Interest income from bank deposits		47 430	32 422
Total wealth created		1 266 818	1 048 199
Wealth distribution			
To employees		566 031	478 227
To providers of capital		201 017	179 368
Government for taxes		124 107	107 419
Total wealth distributed		891 155	765 014
Wealth retained in the business			
To maintain and develop operations of the Group		375 663	283 185
Number of employees of the Group		8 172	7 234



■ To employees
■ To providers of capital
■ Government for taxes
■ Retained for growth

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

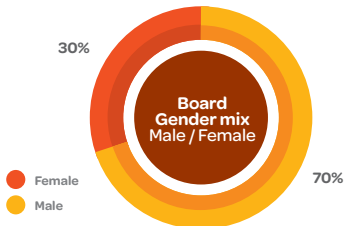


■ To employees
■ To providers of capital
■ Government for taxes
■ Retained for growth

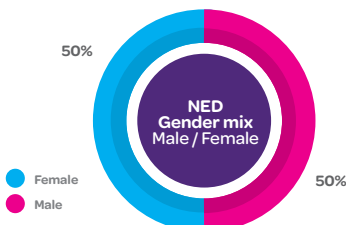
3 Governance

We continue to uphold our responsibility to the community and our valued stakeholders by adopting and complying with the highest standards of corporate governance.

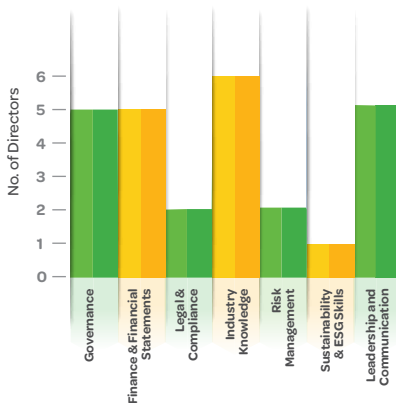
Board Gender mix



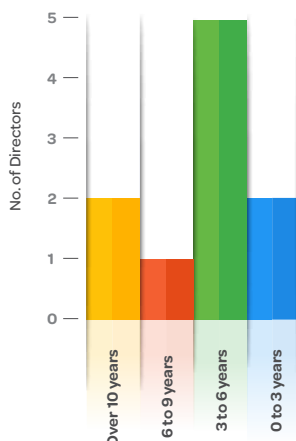
NED Gender mix



Skills mix of Board of Directors



Board tenure



a³ Corporate Governance – King IV compliance



The Group has consistently demonstrated its commitment to sound governance practices through our comprehensive assessment of compliance with King IV is detailed in the Corporate Governance Report. The Group early adopted this governance code prior to it being made mandatory by the Botswana Stock Exchange.

b³ Board Diversity



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

c³ Fair pay practices



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

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

d³ Business Ethics



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

- ✓ **Independent Internal Audit function**
The Group's Internal Audit department operates independently and reports directly to the Board Audit Committee. Throughout the year, internal audit reviews are conducted across all subsidiaries based on an annual audit plan approved by the Committee. In addition, ad-hoc audits and special assignments are undertaken at the request of the Board, ensuring continuous oversight and responsiveness to emerging risks.
- ✓ **Group wide whistleblowing policy**
To reinforce ethical conduct and accountability, the Group has implemented a whistleblowing policy that is well-communicated and understood across all subsidiaries, with clear guidance on how to report concerns.
- ✓ **Development of the Group Code of Conduct**
A comprehensive Group Code of Conduct was introduced, formalising the ethical principles and behaviours expected of all employees and management, and serving as a guiding framework across the organisation.

e³ Tax transparency



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

To maintain ongoing compliance, we routinely engage independent tax experts to conduct comprehensive tax health checks. In the current financial year, the Group contributed approximately P124 million in taxes to the Governments of the countries in which we operate.

Sustainability and ESG report

(continued)

Our ongoing journey ...

With our ESG framework now in place, the focus has shifted to putting it into action – **particularly when it comes to tracking, reporting, and setting performance targets.**



	17 KPIS	Themes	Focus areas	Initiative Number	Status
ENVIRONMENT	1. Energy Mix 2. Gas emissions	1	Energy and carbon footprint	b ¹ ,c ¹ ,e ¹ ,f ¹ ,g ¹	●
	3. Water usage/management 4. Water recycling	2	Water stewardship	a ¹	●
	5. Recycling	3	Waste management	e ¹ ,d ¹	●



Over the past year, we have made meaningful progress in collecting baseline data across the majority of our key ESG metrics. This has provided us with a clearer understanding of our current position and enabled us to **establish measurable five-year targets for each of our nine focus areas** – a significant step forward from previous years. These targets are both ambitious and grounded in actual performance data, allowing us to transition from commitment to measurable, accountable action.



The targets, along with their corresponding KPIs and baseline figures, are summarized in the visual overview below. **This marks an important milestone in our ESG journey, as we move from strategic planning to structured implementation and formal reporting.**

KEY



Reporting not yet in place; methodologies and systems are still being developed.



Partial reporting in place; metrics are defined but data collection or coverage is still being improved.



Established – Reporting is ongoing and complete with defined metrics and regular data collection

Measures	Target 2030	Alignment to SDG Goals
Our reporting on Energy and Carbon Footprint will likely focus on total energy use, the share by generation type, and Scope 1 emissions. This includes direct emissions from company-owned sources, with diesel and petrol consumption converted to tonnes of CO ₂ equivalent (tCO ₂ e).		
Our reporting on Water Stewardship will likely include total water withdrawal from all operational areas, as well as the total volume of water recycled and reused by the organisation, in line with previous reporting guidelines		
Our reporting on Recycling will likely cover the total tonnes and percentage of waste reprocessed into new materials, including reuse, recycling, and recovery. We will also report the percentage of waste diverted from disposal		

Sustainability and ESG report

(continued)

SOCIAL	17 KPIS	Themes	Focus areas	Initiative Number	Status
	6. Localisation	4	Integrated supply chain	g ²	
		5	Giving back to the community	a ² ,b ² ,e ² ,f ² ,g ²	
	7. Discrimination and harassment 8. Diversity and inclusion 9. Training 10. Staff employee turnover and new hire	6	Our people	a ² ,c ² ,d ²	
	11. Work related fatalities 12. Work related injuries	7	Health and Safety	b ² ,	
		8	Food Safety	b ² , h ²	

GOVERNANCE	17 KPIS	Themes	Focus areas	Initiative Number	Status
	13. Board diversity 14. Board competence 15. Board independence 16. Greivance mechanisms 17. Fines and monetary loss due to legal proceedings	9	Governance	a ³ , b ³ ,C ³ ,d ³ ,e ³	

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

Measures	FY2024	FY2025	Target 2030	Alignment to SDG Goals
Number of Board members	10	10	10	
Percentage of Board members who are deemed non-Executive	60%	60%	60%	
Percentage of Board members who are deemed Executive	40%	40%	40%	
Percentage of Board members who are deemed Independent	60%	60%	60%	
Percentage of Board members who are women	37%	30%	>35%	
Average length of Non-Executive Director service (in years)	3	3	>6 years	
Does the company have a whistle-blower programme in place?	Yes	Yes	Whistleblower program is in place	
Pula (BWP) value of losses resulting from legal proceedings (including fines) due to fraud, insider trading, antitrust, anti-competitive behaviour, market manipulation, malpractice or violations of other industry laws or regulations	Nil	Nil	Nil	
Does the company have formal stakeholder engagement policies in place, including mechanisms for stakeholders to raise issues?	Yes	Yes	Stakeholder Engagement Policy in place	

Corporate Governance report



Governance Overview

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

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

The Board is dedicated to embedding corporate governance principles into the culture of the organisation to drive the sustainable development of our businesses and the Group.

The Group focuses on integrity, accountability, and transparency in its conduct and is led by an effective and committed Board, which provides central oversight, governance and direction to the Group.

The Board sets the strategic direction of the Group, and sets out how areas of governance matters will be approached, addressed, and implemented.

The Board sets the strategic direction of the Group, and sets out how areas of governance matters will be approached, addressed, and implemented. The Board exercises its mandate through the approval of Group policies, providing a structured framework in line with the Group's ethos, and best-practice governance principles.

These policies ensure effective oversight whilst still allowing for operational responsibility and management at subsidiary level. Regular reporting to the Board enables effective monitoring of performance and accountability through transparent and responsible disclosures with a number of entities in the Group being defined as Public Interest Entities ("PIEs"), robust corporate governance structures are critical to the sustainability of the Group.

The Board of Sefalana Holding Company Limited champions the principles of good governance and recognizes that these principles are essential for business integrity, the creation of long-term shareholder value, and the protection of stakeholder interests. Sefalana's governance philosophy is outcome based and seeks to achieve the following benefits;

1 Maintaining Ethical Culture

2 Effective Control

3 Good Performance

4 Legitimacy



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

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

The Board accordingly within the parameters of these established Corporate Governance frameworks, adopts an “apply and explain” approach in this Annual Report for the benefit of Shareholders and stakeholders alike.

1

Governance Outcome: Maintaining Ethical Culture



Through the Risk & Sustainability Committee, the Board provides proactive and future-focused oversight on emerging risks, ensuring effective mitigation strategies are in place.



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

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

The Board annually reviews and approves the Group Ethics Policy, which defines the ethical framework within which the Group operates. This policy sets out both aspirational values and mandatory behavioural expectations for employees, and management. To operationalize this policy, the Group has implemented a robust and dynamic Code of Conduct that reinforces its ethical commitments across all levels of the organization.

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

The Group has strengthened its Whistleblower Policy to ensure a confidential and independent reporting mechanism that enables employees and stakeholders to report concerns without fear of retaliation. Whistleblowing reports are reviewed by the Board, and trends are analyzed to enhance governance and ethical awareness at all levels of the Group.

To prevent the misuse of its products, services, technologies and financial challenges, the Group annually reviews its Anti-money Laundering and Counter Terrorist Financing Policy, which aligns with both local and international regulatory requirements.

Through the Risk & Sustainability Committee, the Board provides proactive and future-focused oversight on emerging risks, ensuring effective mitigation strategies are in place.

In line with its commitment to continuous improvement, the Board annually reviews its Charter and the Group Ethics Policy to ensure alignment with evolving governance best practices and regulatory requirements. The Group will further strengthen ethical leadership through ongoing training, reinforcement of its ethical policies, and active engagement with stakeholders.

Corporate Governance report

(continued)

Directors' declaration of interest

The Sefalana Board of Directors, as the governing body and custodian of corporate governance, is responsible for ensuring that the Group operates ethically and in compliance with its fiduciary obligations. Board members are required to act in good faith, in the best interests of the Company, and free from external influence.

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

As a standing agenda item at each Board meeting, Directors declare any **direct or indirect interests** that could potentially create a conflict of interest.

Where a conflict exists, the affected Director must **recuse themselves from discussions and abstain from voting on the related matter.**



Dealings in the Company securities

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

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

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

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

Roles and responsibilities of the Board and its Committees

Director	Number of shares controlled as at the year-end date
Mrs. Jennifer Marinelli	50,000 (2024: 50,000)
Mr. Chandra Chauhan	14,134,204 (2024: 14,134,204)
Mr. Bryan Davis	Nil (2024: Nil)
Mr. Mohamed Osman	233,028 (2024: 233,028)
Mrs. Susanne Swaniker-Tetty	Nil (2024: Nil)
Ms. Paula Disberry	Nil (2024: Nil)
Mr. Gerhard Scheepers	Nil (2024: Nil)
Mr. Mahube Mpugwa	14,764 (2024: 14,764)
Dr. Keith Jefferis	34,804 (2024: 34,804)
Mr. Sipho Ziga	Nil (2024: Nil)



2

Governance Outcome: Effective Control

Directors and Executive Management are required to declare any personal dealings in the Company's securities to the Company Secretary, who ensures timely disclosure to shareholders through the Botswana Stock Exchange Limited.

The Board of Directors



Jennifer Marinelli (67)
Board Chair
(Independent Non-Executive Director)
Main Board Attendance: 4/4

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

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



Chandra Chauhan (63)
Group Managing Director – Executive
Main Board Attendance: 4/4

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

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

Corporate Governance report

(continued)



Mohamed Osman (48)
Group Finance Director – Executive
Main Board Attendance: 4/4

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

Mohamed also serves as the Principal Officer of the Sefalana Group Pension Fund, and is the Botswana representative for the ICAEW.

Mohamed previously held the position of Non - Executive Director on the Board of ABSA Bank Botswana (formally Barclays Bank of Botswana) where he was also the Chair of the Audit Committee.



Bryan Davis (67)
Sefalana Cash and Carry Namibia
Managing Director – Executive
Main Board Attendance: 4/4

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

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



Susanne Swaniker-Tetty (50)
Independent Non – Executive
Main Board Attendance: 4/4

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

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

She is the immediate past President of BICA and sits on several other Boards and Audit Committees.

Susanne is the Chair of the Sefalana Audit Committee, and is a member of the Nominations Committee. She joined the Board in October 2020.



Mahube Mpugwa (58)
 Independent Non - Executive
 Main Board Attendance: 4/4

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

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

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



Gerhard Scheepers (64)
 Sefalana Cash & Carry Botswana -
 Managing Director - Executive
 Main Board Attendance 4/4

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

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



Paula Disberry (57)
 Independent Non - Executive
 Main Board Attendance: 4/4

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

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

Paula was appointed to the Sefalana Board in March 2022. She is the Chair of the Risk & Sustainability Committee, and a member of the Audit Committee.

Corporate Governance report

(continued)



Keith Jefferis (68)
Independent Non-Executive
Main Board Attendance: 4/4

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

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

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



Sipho Ziga (53)
Independent Non-Executive
Main Board Attendance: 4/4

Sipho is a senior attorney in Botswana, with nearly 30 years of professional legal experience, with a focus on business law.

Mr. Ziga has extensive experience in corporate commercial law, securities, and financial services regulations, and project finance. He has provided legal counsel to various BSE-listed and unlisted entities, and provided insight on issues surrounding corporate governance, BSE compliance, due diligence, acquisitions and the Botswana legal and regulatory environment. He has been recognized by Chambers Global – the World's Leading Lawyers for General Business law consistently since 2007. Sipho's experience and insight into the legal framework will provide legal expertise to the Group, as it continues to operate within various jurisdictions, and ensure continued focus on adherence to good corporate governance and compliance with legal requirements.

Sipho joined the Board in June 2024 and is a member of the Audit Committee and Remuneration Committee.

Role of the Board

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

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

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

The Board carries out annual performance evaluations of its individual Directors, Board Committees, and the Board as a whole to assess its performance, in discharging its duties. The purpose of the evaluation is to assess Board effectiveness and enhance performance through interrogating governance, accountability and Board processes. Through the office of the Company Secretary, a questionnaire is sent to the directors annually to anonymously evaluate the Board's performance. The evaluation process considers both the Board collectively, as well as self-evaluation. The results of the assessment are tabled at the Board meeting for consideration by the Board, where areas of improvement are discussed and resolved.

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

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



Corporate Governance report

(continued)



The 2025 Board evaluations considered the following:



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

The Board is overall happy with the Board effectiveness and composition. The Board identified opportunities for growth in technology and digital literacy, Sustainability and HR, to further improve.

Board meetings

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

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

Board Committees

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



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



The Committee placed particular emphasis on Board and individual Director evaluations, assessing perceived skill gaps and opportunities for strengthening governance. **Where gaps are identified, the Committee recommends targeted upskilling initiatives or the appointment of additional Directors with the requisite expertise.**

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

Nominations Committee

Membership and meeting attendance

- ✓ Dr K. Jefferis (Chair) (2/2)
- ✓ Mrs J. M. Marinelli (2/2)
- ✓ Mrs S. Swaniker-Tetty (2/2)

During the period, the Nominations Committee reviewed Board composition, annual rotation, and tenure in line with governance best practices and the need for continuity and strategic oversight. The Committee's focus for the coming year is to enhance Board diversity, independence, and expertise by identifying suitable candidates or external resources to supplement the Board's skills—particularly in key areas requiring additional insight.

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

In line with good governance procedures, an Independent Non - Executive Director chairs the Committee to ensure effective distribution of authority and increased accountability.

The Committee placed particular emphasis on Board and individual Director evaluations, assessing perceived skill gaps and opportunities for strengthening governance. Where gaps are identified, the Committee recommends targeted upskilling initiatives or the appointment of additional Directors with the requisite expertise.

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

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

Corporate Governance report

(continued)

Audit Committee

Membership and Meeting Attendance

- ✔ Mrs S Swaniker-Tettey (Chair) (3/3)
- ✔ Ms P. Disberry (3/3)
- ✔ Mr S. Ziga (3/3)
- ✔ Mrs J.M. Marinelli (2/3)
- as invitee

During the period under review, the Audit Committee revised its Terms of Reference to enhance its scope, including the oversight of the whistleblowing framework and its effectiveness in ensuring an ethical and transparent reporting environment. The Committee also identified Artificial Intelligence (AI) and its impact on the Group as a key focus area, leading to the development of an AI policy to guide responsible AI governance and risk management.

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

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

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

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

- ✔ Reviewed the Internal Audit Strategic Plan and Performance Management framework;
- ✔ Assessed the alignment of subsidiary policies to promote consistency, shared learning, and the mitigation of policy gaps;
- ✔ Considered the integration of ESG and Sustainability reporting, ensuring alignment with global best practices and stakeholder expectations;
- ✔ Evaluated dividend proposals in line with financial performance and capital allocation strategies; and
- ✔ Reviewed and approved the Group's annual financial statements in accordance with International Standards on Auditing (ISA).

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

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

Risk & Sustainability Committee

Membership and meeting attendance

- ✔ Ms P. Disberry (Chair) (3/3)
- ✔ Mr M. Mpugwa (3/3)
- ✔ Mrs J. M. Marinelli (3/3)

During the reporting period, the mandate of the Risk Committee was expanded to formally incorporate Sustainability and ESG (Environmental, Social, and Governance) considerations, reinforcing the Board and Group's commitment to sustainable value creation. This expansion ensures enhanced Board oversight over ESG-related risks and opportunities, in line with global governance trends and King IV principles.

Additionally, the Committee broadened its risk framework to better reflect environmental risks, AI-related risks, and emerging strategic risks that may impact the Group's long-term resilience.

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

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

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

Key focus areas for the year

During the year under review, the Committee:

- ✔ Enhanced scenario planning capabilities, enabling the Group to adapt dynamically to an evolving risk landscape and prepare for potential future uncertainties reviewing its risk framework and identified risk areas;
- ✔ Expanded its risk oversight within the core FMCG businesses, receiving reports from the 3 FMCG components, ensuring that the risk matrix remains reflective of evolving operational, financial, and regulatory risks; and
- ✔ Drove increased awareness and integration of environmental risks, aligning with the Group's sustainability strategy and ESG commitments.

Areas of focus for the coming year will include on monitoring and reporting on the ESG within a structured framework in line with national and international best practice.

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

Corporate Governance report

(continued)

Remuneration Committee

Membership and meeting attendance

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

During the reporting period, the Remuneration Committee engaged with industry leaders and independent experts to review and enhance the Group's Remuneration Policy. This process was undertaken to ensure that the policy aligns with market best practices, supports long-term value creation, and is subject to shareholder approval, in line with good corporate governance principles.

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

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

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

Key Focus Areas for the Year

During the period under review, the Committee:

- ✔ Reviewed and refined the Group's Remuneration Policy, including feedback from external stakeholders, ensuring alignment with global best practices and governance expectations;
- ✔ Engaged an independent third party consultant to evaluate and review the remuneration policy, to ensure this is in line with international best practice,
- ✔ Reviewed the incentive structure for Executive Directors, ensuring alignment with performance-based outcomes and Shareholder value creation;
- ✔ Assessed employee remuneration structures, benefits, and reward policies, ensuring internal equity and external competitiveness; and

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

Areas for focus in the coming year will include strengthening the remuneration disclosure framework, ensuring greater transparency and alignment with Shareholder expectations and staying ahead of global corporate governance trends, including evolving regulatory and compliance requirements.

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



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

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

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

The Board Chair and the Group Managing Director

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

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

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

Skills matrix

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

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

Board diversity and balance

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

Corporate Governance report

(continued)

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

The Board of Sefalana promotes gender diversity at Board level. As a policy and the Board has set a target of achieving a minimum of at least one third of board seats to female Non-Executive directors. The Board has met and now exceeds this target.

Changes in the Board structure

There have been no changes to the Board structure during the year, and through the Board evaluation process at both Committee and Board level, the Board is satisfied with its composition and current membership.

Board tenure

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

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

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

3

Governance Outcome: Good Performance

Directors and Executive Management are required to declare any personal dealings in the Company's securities to the Company Secretary, who ensures timely disclosure to shareholders through the Botswana Stock Exchange Limited.



The Board is committed to driving sustainable value creation and high performance within the Group. To achieve this the Board has established robust governance structures, providing assurance and oversight over the Group's strategic direction, financial performance, and operational execution. The Board participated in the Strategy workshop as the Group devised its next strategic cycle, governance requirements, risk management matrix, and how they come together to impact the performance of the Group.

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

By maintaining effective control and oversight, the Board ensures that strategic decisions are forward-looking, risk-conscious, and aligned with stakeholder expectations. The impact of these governance measures, capital allocation decisions, and performance achievements are set out in detail throughout this report, reinforcing the Group's commitment to accountability, transparency, and sustainable long-term growth.

4

Governance Outcome: Legitimacy

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



Relations with stakeholders

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

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

The Annual General Meeting (AGM) of Sefalana Holding Company was held on Friday 25 October 2024 at 16h00. The Annual General Meeting proceedings were conducted in accordance with the Companies Act and the Constitution of the Company. There were no restrictions on any shareholder casting votes on any of the resolutions at the AGM.

Shareholders present in person and by proxy were 228,237,219 representing 91% of the total issued share capital. All but one of the resolutions was passed by a majority of the votes exercised. The shareholders voted against the Non-Binding Advisory vote 1.

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

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

In this way, the Board ensures all relevant information is effectively communicated to the Company's stakeholders and on a timely basis.

Corporate Governance report

(continued)



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

Compliance management

The Board recognizes and upholds its responsibility for governing compliance in a manner that supports ethical leadership, good corporate citizenship, and sustainable value creation. During the year, the Board reviewed and approved the Group Compliance Policy, which sets out the philosophy and approach to Compliance Risk Management for the Group. Sefalana is committed to managing compliance risks in an objective, independent, and pragmatic manner, ensuring that the Group conducts business ethically, responsibly, and in adherence to all applicable regulatory frameworks.

The Board provides strategic oversight on compliance through the Group Compliance Policy and associated Framework, which defines the mechanisms for governing and managing adherence to both mandatory legal requirements and voluntary non-binding rules, codes, and standards that the Group has adopted. This ensures that compliance is not merely a legal obligation but also a strategic enabler for good corporate governance and stakeholder confidence. Sefalana seeks to approach Compliance Risk Management in an objective, independent and pragmatic manner, that enables business to do the right business the right way.

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

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

During the year, the Risk and Compliance team enhanced internal compliance reporting processes by continuing to review and refine its structured internal reporting decks, consolidating comprehensive compliance data across subsidiaries and business units. This has strengthened Group-wide transparency and oversight on adherence to applicable laws, industry codes, and emerging governance standards.

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

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

To enhance governance oversight, the Risk Officer reports to the Risk & Sustainability Committee, which Committee provides reports to both the Audit Committee, reflecting the interconnectedness of Audit and Risk functions, as well as the Board.



Compliance with corporate governance codes

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

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

King IV

	Principle		Assessment
1	The governing body should lead ethically and effectively.		The Board of Directors serves as the governing body of the Group, assuming ultimate responsibility for ethical and effective leadership in line with its fiduciary duties and corporate governance obligations. Directors demonstrate integrity, competence, and accountability, ensuring that decisions are made in the best interests of the Group and its stakeholders. To uphold effective governance and ethical leadership, the Board conducts an annual self-evaluation, assessing its collective performance, as well as that of its sub-committees and individual directors. This process enables the Board to hold itself accountable and continuously improve its effectiveness. Through the Nomination Committee, the Board ensures that: ✔ Directors possess the appropriate skill sets and expertise, enabling informed decision-making and strategic oversight. ✔ Independence and objectivity are maintained, with quarterly declarations of interests to proactively manage conflicts. The Board's Terms of Reference, along with those of its sub-committees, are reviewed and updated annually to align with global best practices and emerging governance trends. To enhance transparency and accountability, the Group enforces closed period trading restrictions, ensuring compliance with insider trading regulations. Furthermore, the Board prioritizes proactive and open communication with stakeholders, reinforcing its commitment to ethical governance and trust-building.

Corporate Governance report

(continued)

	Principle	Assessment
2	The governing body should govern the ethics of Sefalana in a way that supports the establishment of an ethical culture.	The Board is governed by a Board Charter, which incorporates principles of effective and responsible leadership. The Board Charter is reviewed annually to ensure that governance practices remain current, effective, and aligned with best practices. The Group's ethics management framework is overseen primarily by the Audit Committee. Sefalana's Ethics Policy is reviewed and updated annually to reflect the implementation of ethical standards and the guiding principles that underpin the ethical practices across the Group. This policy forms the foundation for the ethics policies of the subsidiaries. The Group Code of Conduct outlines the mechanisms and framework for implementing the Group's ethical beliefs. It serves as a dynamic guide, establishing expectations for both management and employees, ensuring that the ethics policy is effectively executed. The Whistleblower Policy is also integrated into the Group's Ethics Framework. The Audit Committee is responsible for overseeing the Group's whistleblowing arrangements, ensuring that a proportionate and independent investigation process is in place for reported matters. The Committee ensures that there are clear processes for reporting and investigating unethical behavior. Additionally, Group HR provides regular reports to the Board at each meeting, summarizing incidents of unethical behavior, enabling the Board to monitor and address ethical issues appropriately, including the outcomes of these incidents. The Risk & Sustainability Committee receives regular Risk Reports from subsidiaries, which outline emerging trends and areas of risk. These reports provide the Board with additional oversight on incidents of unethical behavior and the steps being taken to mitigate such risks. During the reporting period, the Board focused on reviewing the alignment of Group HR policies across the region, ensuring a consistent ethical approach to the relationship between the Group and its employees. The Board also finalized the implementation of the Code of Conduct and integrated good governance and leadership requirements into the new five-year strategic cycle, including a more structured approach to Environmental, Social, and Governance (ESG) matters. The Board is committed to ensuring the full implementation of the Code of Conduct across all operations of the Group. Looking forward, the Board plans to focus on innovative approaches to strengthening ethical behavior and enhancing forward-thinking HR strategies that align with the Group's long-term goals and governance standards.



The Risk & Sustainability Committee receives regular risk reports from subsidiaries, which outline emerging trends and areas of risk. **These reports provide the Board with additional oversight on incidents of unethical behavior and the steps being taken to mitigate such risks.**

The Board is committed to ensuring that the Company acts as a good corporate citizen, in alignment with the Group's overall strategy. The new strategic cycle includes a renewed focus on Sustainability, reflecting regional and international best practices. **One of the core values embedded in the strategy is to be a model corporate citizen, passionate about uplifting communities and safeguarding the environment.**



	Principle		Assessment
3	The governing body should ensure that Sefalana is and is seen to be a responsible corporate citizen.		The Board is committed to ensuring that the Company acts as a good corporate citizen, in alignment with the Group's overall strategy. The new strategic cycle includes a renewed focus on Sustainability, reflecting regional and international best practices. One of the core values embedded in the strategy is to be a model corporate citizen, passionate about uplifting communities and safeguarding the environment. The Board ensures that the Group supports and invests in the well-being of the economy, society, and the natural environment. This commitment includes, in particular, supporting income-generating initiatives for communities in need, fostering broader social and environmental responsibility. During the reporting period, the Board engaged an independent consultant to assess the Group's existing initiatives and provide a roadmap with meaningful and relevant Sustainability goals. This roadmap will help structure the Group's activities and ensure that its contributions to corporate citizenship are both impactful and measurable. As part of the commitment to good corporate citizenship, the Board is actively reviewing data from across the Group to establish a baseline of performance in relation to Environmental, Social, and Governance (ESG) factors. In some areas, this includes identifying appropriate metrics for baseline performance measurement. To strengthen its governance over sustainability matters, the Risk Committee's mandate has been expanded to include Sustainability and ESG initiatives. This ensures that the Group's efforts to uphold good corporate citizenship principles are continuously monitored, managed, and reported. Looking ahead, a key focus area will be rolling out the ESG goals across subsidiaries and implementing reporting frameworks that promote accountability. This will allow the Group to track progress towards achieving its Sustainability objectives and align its operations with global best practices in corporate citizenship.

Corporate Governance report

(continued)

	Principle	Assessment
4	The governing body should appreciate that Sefalana's core purpose, risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value creation process.	The Board is responsible for steering and setting the strategic direction of the Group in a manner that balances short, medium, and long-term objectives while creating sustainable value for all stakeholders. The Board monitors the implementation of strategy through the Group Strategy Coordinator, who provides quarterly updates on strategic execution and progress. The Group Internal Auditor reports to the Audit Committee at each of its meetings, ensuring independent assurance on internal controls, governance, and risk management. The Risk and Compliance Officer provides oversight on compliance, risk identification, and mitigation measures by reporting to the Risk & Sustainability Committee on a regular basis. The interdependencies between financial capital, human capital, manufactured capital, intellectual capital, social and relationship capital, and natural capital—along with the broader external environment—are disclosed in the Group Managing Director's Report, Group Finance Director's Report, and Annual Financial Statements. These reports provide insight into how the Group integrates these capitals into decision-making to drive performance, manage risks, and ensure long-term sustainability. During the reporting period, the Group convened a Strategy session, attended by the Board and key Management of all subsidiaries, to review the performance of the business against its strategic objectives. At this session, the Group reflected on past learnings, emerging trends, and future opportunities, leading to the development of a new five-year strategy. The new strategy integrates Environmental, Social, and Governance (ESG) principles and the Group's commitment to being a responsible corporate citizen. Sefalana remains committed to embedding sustainability into its business strategy, ensuring that environmental, social, and governance factors are actively considered in decision-making to create long-term stakeholder value. The Group continues to drive innovation across its products and business processes to enhance its strategic positioning and maintain its competitive advantage. Further details on how this Integrated Report reflects these strategic focus areas can be found on page 70.

The interdependencies between financial capital, human capital, manufactured capital, intellectual capital, social and relationship capital, and natural capital—along with the broader external environment—are disclosed in the Group Managing Director's Report, Group Finance Director's Report, and Annual Financial Statements. These reports provide insight into how the Group integrates these capitals into decision-making to drive performance, manage risks, and ensure long-term sustainability.



Recognizing the importance of stakeholder engagement, Sefalana actively leverages its social media platforms to facilitate interaction with various stakeholder groups. **The Group promotes open communication with investors and analysts, maintaining ongoing investor relations through planned engagements, and responsive communication with shareholders and analysts throughout the year.**



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



The annual report is prepared in accordance with King IV principles, the Botswana Stock Exchange (BSE) Listing Requirements, and international best practice. **Sefalana also ensures that stakeholders remain informed on material developments through ad hoc publications on the BSE X-News platform, allowing for timely and transparent disclosures on matters of immediate interest.**

Corporate Governance report
(continued)



To enhance effective oversight, the Board delegates certain responsibilities to its Board Committees, each governed by formal charters that define their mandates, responsibilities, and decision-making authority.

	Principle	Assessment
6	The governing body should serve as the focal point and custodian of corporate governance in the Group.	The Group is governed by a Board that provides ethical and effective leadership, as outlined in the Board Charter. The Board exercises independent and informed judgment, ensuring effective direction, governance, and control over the Company. To enhance effective oversight, the Board delegates certain responsibilities to its Board Committees, each governed by formal charters that define their mandates, responsibilities, and decision-making authority. These committees play a key role in specialized oversight, ensuring robust governance, compliance, risk management, and ethical leadership across the Group. The Board meets at least four times annually, with additional meetings convened as necessary. The agenda for each meeting is structured to ensure strategic discussions, risk assessment, and governance reviews, with adequate time allocated to consider matters of significance, including those affecting subsidiary companies. To support informed decision-making, Board members receive comprehensive meeting packs and reports in advance. These materials provide insight into financial performance, operational activities, risk factors, and governance matters, allowing directors to exercise their oversight role effectively. The Board follows an annual work plan, which ensures a structured, proactive, and forward-looking approach to governance. This plan aligns with strategic objectives, risk management priorities, regulatory requirements, and best governance practices. Board meeting attendance remains consistently high, and members are encouraged to engage in ongoing discussions beyond scheduled meetings, particularly when material decisions require deeper deliberation. The Board is satisfied that it has fulfilled its responsibilities in accordance with the Board Charter and King IV governance principles, ensuring the long-term sustainability and ethical governance of the Group.

	Principle	Assessment
7	The governing body should comprise the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively.	The Board ensures an appropriate balance of power, skills, experience, diversity, and independence in its composition, in line with King IV and the Botswana Stock Exchange (BSE) Listing Requirements. The majority of Non-Executive Directors (NEDs) are independent, ensuring objective oversight and effective governance. The Chair of the Board is independent and non-executive, providing unbiased leadership and ensuring that the Board functions effectively. To further strengthen governance, the Board appointed a Lead Independent Director (LID), Mr. Mpugwa. The LID plays a critical role in instances where the Board Chair is conflicted or otherwise unable to act, ensuring continued independent oversight. The Nominations Committee meets periodically to review the composition, diversity, and appropriateness of the Board. This process ensures that the Board maintains a balance of relevant skills, industry expertise, and demographic diversity, in alignment with good governance principles. The annual report provides a comprehensive overview of each Board member's qualifications, skills, and experience, offering stakeholders insight into the governance expertise and leadership capabilities of the Board.
8	The governing body should ensure that its arrangements for delegation with its own structures promote independent judgment, and assist with balance of power and the effective discharge of its duties.	The Board has established well-defined committees, each with a clear mandate, delegated authority, and structured reporting procedures to support effective governance and oversight. The Committee Charters are reviewed annually to ensure continued relevance, alignment with King IV, and adherence to best governance practices. Each committee operates independently yet collaboratively, ensuring that key governance functions—including audit, risk & sustainability, remuneration, and nomination are carried out with transparency and accountability. During the reporting period, the Board and its committees confirm that they have effectively fulfilled their responsibilities in accordance with their respective Terms of Reference.

The Nominations Committee meets periodically to review the composition, diversity, and appropriateness of the Board. This process ensures that the Board maintains a balance of relevant skills, industry expertise, and demographic diversity, in alignment with good governance principles.



Corporate Governance report

(continued)

	Principle	Assessment
9	The governing body should ensure that the evaluation of its own performance and that of its committees, its chair and its individual members, support continued improvement in its performance and effectiveness.	The Board conducts annual evaluations to assess its collective and individual performance, including that of its committees and members. These evaluations provide a structured and objective assessment of the Board's effectiveness, governance practices, and ability to fulfill its responsibilities in line with King IV principles and the Group's strategic objectives. The evaluation process measures Board effectiveness & composition, governance & accountability, Board & Management engagement, Stakeholder engagement, Committee Performance, and individual self-evaluations. Through this process, the Board identifies areas for growth and continuous improvement, ensuring an adaptive and forward-thinking leadership approach that supports the Group's long-term sustainability and stakeholder value creation. The Board confirms that the latest evaluations have been completed, with results indicating that governance structures remain effective and aligned with best practices, and no significant deficiencies were identified during the reporting period.
10	The governing body should ensure that the appointment of, and delegation to, Management contribute to role clarity and the effective exercise of authority and responsibilities.	The Board ensures that Directors act with independence of mind, exercising their fiduciary duties in the best interests of the Company. Directors declare their direct and indirect interests at each Board meeting, and the Company Secretary maintains a register of Directors' interests, ensuring transparency and compliance with governance best practices. Succession planning remains a key focus area, ensuring that the long-term success and sustainability of the Group are not reliant on any one or few key individuals. The roles of CEO and Chair are separate, reinforcing effective governance structures and preventing conflicts of interest. While the CEO is granted certain decision-making authority, the Board retains oversight, with decisions exceeding a set threshold subject to Board approval. Board appointments follow a formal, transparent process, led by the Nominations Committee, and are subject to shareholder approval. Succession planning frameworks are in place for all Executive Directors, including the CEO. The Company Secretary serves as the custodian of corporate governance within the Group. The Company Secretary ensures that the Board and its Committees receive independent governance guidance, legal and regulatory updates, and compliance support. The Company Secretary also plays a key role in facilitating Board and Director training and development, as well as ensuring adherence to Group policies, charters, and governance frameworks. The appointment of the Company Secretary is a matter for the Board, ensuring that the role is filled by a suitably qualified and experienced individual. The Board has direct and unfettered access to the Company Secretary, who operates independently of management and maintains an arms-length relationship with the Board. The Board has reviewed the competence, qualifications, and experience of the Company Secretary and is satisfied that they remain effective in discharging their duties.

The Head of Internal Audit reports directly to the Audit Committee, ensuring independence and objectivity in financial and operational assurance. Similarly, the Group Risk and Compliance Officer reports directly to the Risk & Sustainability Committee, which in turn provides reports on key risk areas to the Audit Committee.



	Principle		Assessment
11	The governing body should govern risk in a way that supports Sefalana in setting and achieving its strategic objectives.		The Audit Committee and Risk & Sustainability Committee play a critical role in ensuring that the Internal Audit function and the Risk and Compliance function are adequately resourced, have sufficient budget allocation, and hold the necessary authority to effectively discharge their responsibilities. The Head of Internal Audit reports directly to the Audit Committee, ensuring independence and objectivity in financial and operational assurance. Similarly, the Group Risk and Compliance Officer reports directly to the Risk & Sustainability Committee, which in turn provides reports on key risk areas to the Audit Committee. Both Committees operate in accordance with their statutory duties and the Board's delegated authority, as outlined in their respective Terms of Reference. The Risk & Sustainability Committee is an integral component of the Group's risk management framework, overseeing the development and implementation of risk policies. Risk assessments are conducted on a continuous basis, with findings reported to the Board via the Risk & Sustainability Committee. This ensures proactive risk management, where risks are identified, assessed, and mitigated in alignment with the Group's strategic objectives. During the current year, key areas of focus included reviewing and updating the risk register to incorporate emerging risks related to artificial intelligence (AI) and technological advancements. Going forward, the Board will place greater emphasis on risks related to the long-term sustainability of the Group, particularly environmental, social, and governance (ESG) risks, as well as risks impacting business growth and resilience.

Corporate Governance report

(continued)

	Principle	Assessment
12	The governing body should govern technology and information in a way that supports Sefalana in setting and achieving its strategic objectives.	The Board has formally endorsed the Group IT Policies and Procedures, which are designed to align with the Group's strategic objectives. The Group IT Manager provides regular reports to the Audit Committee at all its meetings, ensuring transparency and effective oversight of IT matters. The Board ensures that the IT strategy is seamlessly integrated into the Group's overall strategic and business processes, ensuring that IT investments and initiatives are aligned with the achievement of the Group's business objectives. The Audit Committee mandates Management to oversee the implementation and monitoring of the IT governance framework within the Group. This framework is essential in guiding the effective and efficient management of IT resources, facilitating the achievement of the Group's goals, and ensuring the management of IT-related risks. A key focus is on proactive measures to safeguard the Group against evolving IT threats, ensuring data protection and robust cybersecurity practices. The Group encourages continuous innovation in IT to drive value creation and sustainability. The Head of Corporate Services and the Group IT Manager represent IT at Audit Committee meetings. Detailed feedback on the IT governance framework and regular progress reports are provided to the Audit Committee, ensuring that any identified IT risks are effectively managed and mitigated.
13	The governing body should govern compliance with applicable laws and adopted, non-binding rules, codes and standards in a way that supports Sefalana being ethical and a good corporate citizen.	The Company is committed to complying with applicable laws and non-binding rules. The Company Secretary certifies the Company's adherence to these legal and regulatory requirements. In addition, the Company seeks professional legal advice as needed to ensure ongoing compliance with evolving legal frameworks. The Risk & Sustainability Committee, with regular reports from the Risk & Compliance Officer, allows the Board to monitor and evaluate the effectiveness of compliance management within the Group. During the reporting period, the Company focused on developing a platform for uploading and aligning Group policies with those of its subsidiaries. This initiative supports historical learning and provides the ability to compare prior materials with new policies, reflecting updates in emerging legislation and regulatory requirements. Additionally, it facilitates the sharing of best practices and compliance information across the Group, thereby strengthening the overall compliance framework. As the Group's operations expand beyond Botswana's borders, the focus has been to ensure continued compliance with laws and regulations in all countries where the Group and its subsidiaries operate. This is reinforced by cascading compliance policies and the adoption of international best practices to align the Group with global standards. Planned areas of focus include creating an interactive platform that ensures both the Group and its business units can adapt to new legislation on a country-by-country basis, while maintaining consistency with Group-wide policies and practices. By adopting a proactive approach, the Group aims to continuously assess areas of potential future compliance development and regulatory alignment.

	Principle	Assessment
14	The governing body should ensure that Sefalana remunerates fairly, responsibly and transparently so as to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term.	The Company has adopted remuneration practices that are aligned with the Company's strategy, focusing on creating long-term value for both the business and its stakeholders. The Remuneration Committee assists the Board in setting and administering the remuneration policy, ensuring that it is consistent with the Company's goals and long-term sustainability. The Board is committed to offering fair, competitive, and market-related remuneration to attract, retain, and motivate talented employees at all levels. The remuneration structure is designed to reflect performance outcomes and drive behavior that supports the Company's strategic objectives. Performance targets are set relative to the budget, with benchmarks against prior-year results. These targets include a performance range that incentivizes outperformance, while establishing minimum performance levels to ensure that poor performance is not rewarded. In line with the Group's values, the Company is committed to paying above the minimum wage in all countries where it operates. This policy reflects the Group's commitment to fair labor practices and promoting a responsible corporate citizenship by supporting economic sustainability in the communities in which it operates.
15	The governing body should ensure that assurance services and functions enable an effective control environment, and that these support the integrity of information for internal decision-making and of Sefalana's external reports.	The Audit Committee is responsible for ensuring the comprehensive implementation of, and adherence to, internal controls within the Group. Internal Audit provides a written assessment of the effectiveness of these internal controls to the Audit Committee annually, ensuring continuous improvement and oversight. The Group fosters strong collaboration between assurance providers, ensuring effective coordination between Internal Audit and External Audit. The Internal Audit team was enhanced during the year to improve its capacity and increase reliance on its work by External Audit. The Group is committed to a zero-tolerance approach to fraud and corruption across all its activities. A comprehensive anti-fraud program, which incorporates prevention, detection, investigation, and resolution, is coordinated through Internal Audit. This program ensures that incidents of fraud are identified and addressed promptly. Instances of fraud or unethical behavior are reported through the Anonymous Tip-off Line, which provides a confidential channel for whistleblowers. These reports are investigated, and outcomes are communicated to both the Audit Committee and the Risk & Sustainability Committee. To ensure appropriate oversight, whistleblowing remains a standing agenda item at the Committee meetings. The Board has delegated oversight of the Group's risk management function to the, Risk & Sustainability Committee, which provides reports to the Audit Committee. This ensures that risk-related issues are addressed at the highest level. Both Committees provide reports to the Board. The Audit Committee also approves the annual internal audit plan, ensuring alignment with key business risks and strategic priorities. The Group Internal Auditor and the Risk & Compliance Officer report directly to their respective Committees at all their meetings, providing regular updates on the Group's risk and control environment.

Corporate Governance report

(continued)



Sefalana encourages robust stakeholder engagement through various forums, ensuring open channels for dialogue with shareholders, suppliers, **employees, the public, and other key stakeholders, further supporting the Group's commitment to transparency and responsible governance.**

	Principle	Assessment
16	In the execution of its governance role and responsibilities, the governing body should adopt a stakeholder-inclusive approach that balances the needs, interests and expectations of material stakeholders in the best interests of the organisation over time.	The Board, through the Sefalana Group Strategy, actively monitors and addresses legitimate stakeholder interests and expectations, ensuring they align with the Group's strategic objectives and long-term sustainability. The Board promotes proactive stakeholder engagement, not only by encouraging attendance at Annual General Meetings (AGMs) but also through informal channels such as direct contact, presentations, advertising, and press releases. Feedback from various stakeholders—including suppliers, employees, consumers, local authorities, and communities—is regularly communicated to the Board via Management. This enables the Board to stay informed and responsive, ensuring the Group remains adaptable, supportive, and engaged in the communities in which it operates. The Sefalana website serves as a continuous source of information about the Group, providing stakeholders with timely updates and insights. Social media platforms further enhance interaction and engagement, fostering ongoing dialogue with a wide range of stakeholders. Sefalana is committed to regular engagement with stakeholders, including suppliers, employees, consumers, governments, local communities, and institutional investors, recognizing this as a key component of good corporate governance practices. Institutional investors have direct engagement with the Board regarding governance-related matters, and such discussions are also held during the Annual General Meeting. The Board takes these opportunities to address investor concerns and incorporate feedback into governance reforms and strategy. Sefalana encourages robust stakeholder engagement through various forums, ensuring open channels for dialogue with shareholders, suppliers, employees, the public, and other key stakeholders, further supporting the Group's commitment to transparency and responsible governance.

The UK corporate governance code

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

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

Board leadership and company purpose

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

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

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

Division of responsibilities

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

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

Composition, succession, and evaluation

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

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

Audit, Risk, and Internal Control

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

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

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

Remuneration

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

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

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

Foods Botswana



Creating employment for the Nation



Fb

Foods Botswana
A Sefalana Group Company



During the year, Foods Botswana purchased a second hand water processing plant and doubled its capacity to enable it to meet the increased volumes required by its customer base.



Remuneration report



Our focus over the last four years has been to review remuneration throughout the Group. **Considerable effort has been placed on aligning the remuneration structures and policies across all our subsidiaries.**

We are pleased to report that we have always paid our staff above the minimum wage in any territory in which we operate. In arriving at the remuneration increases for the current year, the Remuneration Committee (Remco) has ensured that the relatively lower earning employees have been awarded increases of between 12% and 15% on average at each of our subsidiaries. This is in recognition of the increased cost of living in recent times.

The average increase awarded for other staff ranged between 5% and 7% depending on role, company performance and individual performance. Inflation in the Region was around 2-5% for the period.

Our citizen employment has remained at just over 99%, with less than a 1% expatriate compliment. Total staff employment by the Group at the reporting date amounted to 8,172.

In terms of gender balance, we aim for an approximate equal split across the Group and will report on this annually as part of our ESG framework. Good progress has been made during the period.

Executive remuneration

Executive remuneration is structured to ensure it remains appropriate and aligned to Shareholder value creation.

This has been achieved through a series of detailed and extensive benchmarking exercises carried out initially by the Remco, and subsequently by the appointment of two independent third-party experts.

The remuneration structure and incentive model has been updated to incorporate the advice from the experts, and encapsulates best practice across the region and globally.

The most recent amendments made will be effective for the 2026/27 financial year incentive calculations and are highlighted in green font in this report for ease of reference.

The remuneration structure and incentive model has been updated to incorporate the advice from the experts, and encapsulates best practice across the region and globally.

The most recent amendments made will be effective for the 2026/27 financial year incentive calculations and are highlighted in green font in this report for ease of reference.

Incentivising Executive Directors to drive Shareholder value-creation

The overall remuneration structure is designed to be aligned with shareholder value creation, while offering adequate motivational and retention value for key personnel, ensuring they continue to excel and deliver against set targets.

Both a short term and a deferred remuneration component is in place for the Group Managing Director (GMD) and Group Finance Director (GFD) given their critical roles in the sustainable long-term growth of our Group.

Considerable updates to the remuneration structure for the GMD and GFD have taken place during the last three years incorporating feedback from Asset Managers representing our Shareholders and from the third-party experts in the field of Executive Remuneration.

Executive Directors

Benchmarking exercises

First exercise – financial year 2021/22

During the 2021/22 financial year, an internal benchmarking exercise was carried out by the Remco in respect of the GMD and GFD remuneration packages. This benchmarking was initially based on BSE listed entities, however, due to the lack of directly comparable entities that have similar sector exposures, this benchmarking review was extended to information pertaining to 120 JSE listed entities.

This review ("2022 Benchmark exercise") was based on detailed analysis and reports issued by two of the Big 4 auditing firms in South Africa. The one report focused on Total Guaranteed Packages (TGP) and the other on Total Overall Packages (TOP). These are publicly available reports.

The outcome of this review suggested that for both the GMD and the GFD, their TGP, and their TOP were below that of the relevant comparatives in both the lower quartiles and median values.



Consequently, Remco undertook to align these packages over the 2022/23 and 2023/24 financial years.

Second exercise – financial year 2022/23

During the 2022/23 financial year, and following recommendations from certain of our Shareholders, a further benchmarking exercise ("2023 Benchmark exercise") was carried out. This was done through the appointment of Bowmans SA, remuneration experts in South Africa. This expert has extensive experience in HR related matters and Executive pay across the Region.

The reports issued by Bowmans SA largely corroborated the conclusions arrived at from the 2022 Benchmark exercise but was specific to the Sefalana Group, its nature of operations, its complexity and relevant comparatives.

Whilst the overall total packages suggested by the Bowmans SA report were broadly in line with those suggested from the 2022 Benchmark exercise, the 2023 Benchmark review emphasized a need to increase the proportion of the deferred component of remuneration in the TOP. It also recommended a revision to the metrics applied in the incentive model.

These recommendations were then incorporated and reflected in both the 2023 and 2024 year-end remuneration awards.

Third exercise – financial year 2024/25

During the 2024/25 financial year, and following requests from certain of our Shareholders, yet another benchmarking exercise ("2025 Benchmark exercise") was carried out. This was done through the appointment of another well reputed remuneration experts in South Africa, Khokhela Remuneration Advisors (Khokhela). This expert also has extensive experience in Executive pay across the Region.

The reports issued by Khokhela corroborated the conclusions from the 2022 and 2023 Benchmark exercises, with further advice and recommendations on amendments to the weighting of the revised metrics applied in the Remuneration model.

These recommendations were considered by Remco and the Board and will apply to the 2027 year-end incentive calculations (see below for further details).

Remco and the Board are satisfied that the 2022, the 2023 and the 2025 Benchmarking exercises have resulted in a more market-based remuneration package for the GMD and GFD, and that the revised metrics are better aligned to current best practice and Shareholder value creation.

Remuneration report

(continued)

The Remuneration structure for the Executive Directors is as follows:

a) Total Guaranteed Package (TGP)

Monthly salary

All Executive Directors are paid a salary for services rendered to the Group. These are market based and are determined by the Remco after considering the detail of the role, the responsibilities assumed, and individual performance. Salaries are reviewed annually, with appropriate increases applied (with inflation as a basic guideline).

Benchmarking is done periodically and at least every 5 years. The next detailed benchmarking exercise will take place in 2030 unless a need for it arises before then.

Any proposed changes to structure are put forward to the main Board for final approval.

For the GMD and GFD, this component will represent approximately 1/3 of TOP in a year where all relevant targets are met.

This component of remuneration usually represents between 1/3 to 1/2 of TOP each year for Executive Directors other than the GMD and GFD.

For the forthcoming year (2025/26 financial year), the GMD has been awarded a 14.8% increase to his TGP; the GFD has awarded an 8.8% increase effective 1 May 2026. The two Executives have not had an increase in their TGP for the last three years (since 1 May 2022).

Other benefits

All Executive Directors receive a pension contribution made by the company at 7.5% of the salary amount into the Sefalana Group Staff Pension Fund.

All Executive Directors, except for the GFD, are provided with a company car.

b) Incentives (performance awards)

In addition to the TGP, Executive Directors are entitled to an annual bonus award, provided certain financial (turnover and profit before tax) threshold percentages are achieved.

If these thresholds are not met, the Executive Directors are not entitled to a bonus for that year. If the Executive Director is entitled to a bonus for the respective year, the amount due to the Executive Director is determined by a set formula.

For the GMD and the GFD, because they oversee the performance of a wider number of subsidiary companies spanning a range of industries, their incentive formula is based on a number of metrics relating to the statement of comprehensive income and the statement of financial position of the Group.

These metrics were updated in the 2022/23 financial year following the Benchmarking exercises carried out by Bowmans.

The metrics applied in arriving at annual incentives for the GMD and GFD for the current year are as follows:

Metric	Threshold	Target	Stretch	Weighting
Revenue growth	✓			30.0%
PBT growth			✓	30.0%
EPS growth			✓	10.0%
ROCE (operating profit / opening net assets)		✓		10.0%
Sustainability measures (being developed)		✓		20.0%

For the forthcoming year (2025/26) the metrics will be updated as follows:

Metric	Weighting
Revenue growth	35.0%
PBT growth	27.5%
EPS growth	27.5%
Sustainability measures (being developed)	10.0%

The ROCE metric will be moved to the LTI (see below).

The metrics applied emphasizes the importance of the consolidated Group results being aligned to Shareholder value creation. By focusing on these Key Performance Indicators, the Remco is satisfied that this alignment is in place.

This component of remuneration usually averages 1/2 to 1/3 of TOP each year for Executive Directors other than the GMD and GFD.

The Incentive arrived from the model for the GMD and GFD is split into Short Term Incentives and Long-Term Incentives.

(i) Short Term Incentive – STI

Executive Directors (other than the GMD and GFD) are paid their full incentives in cash.

For the GMD and GFD, 50% of the total Incentive award for any year is paid in cash as the STI. The balance is deferred.

The STI approximates to 1/3 of TOP each year in a year where all relevant targets are met.

For the 2026/27 financial year, this will be updated to 45% to STI and 55% deferred to LTI, to provide a 10% additional relative weighting to the long-term component of the award.

(ii) Long Term (Deferred) Incentive (LTI)

50% of the total Incentive for the GMD and GFD is deferred as the LTI which vests after a three-year period. From the 2026/27 financial year onwards, this will be 55% of the total Incentive as indicated above.

The deferred remuneration is designed to retain those considered to be critical to the Leadership team and incentivizes the drive for long term growth and value creation for Shareholders.

The LTI is payable on completion of the 3-year service post award. The vesting of the deferred shares is not currently subject to the satisfaction of any additional performance conditions.

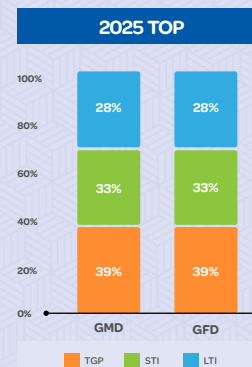
From the 2026/27 year-end however, two performance conditions have been incorporated in the model which will impact the LTI payable at vesting:

Metric	Weighting
Total Shareholder return (TSR)	50%
ROCE (operating profit / opening net assets)	50%

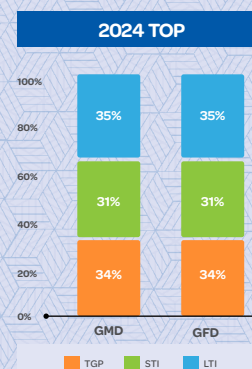
Targets will be set against which performance will be assessed at vesting. This will result in an adjustment to the LTI accordingly.

The LTI will approximate to just over 1/3 of TOP each year (assuming “on target” performance). In previous years, this component constituted less than 1/5 of the TOP. This relative increase in the proportion of deferred consideration is consistent with recommendations received from certain of our Shareholders.

TOP for the Executive Directors is presented on page 141.



The split of TOP for the current year and the prior year is shown below illustrating the shift towards a greater portion being deferred to the LTI.



Remuneration report

(continued)

As at April 2025, the number of shares previously awarded that will vest in the future are as follows:

Award date	Vesting date	GMD	GFD
April 2023	April 2026	512,638	379,352
April 2024	April 2027	335,604	248,347
April 2025	April 2028	430,216	318,360

Explanation of performance measures

The measures selected for Executive Directors running the FMCG businesses are based on the two most relevant measures in the industry, that of Turnover (40% weighting) and Profit before tax (40% weighting), and also as of the current reporting period, certain ESG measures (20% weighting).

Turnover and Profit before tax have always been the Key Performance Indicators for our business and is used by most similar organisations worldwide. We have found these two measures to be the most appropriate and have resulted in a solid track record of growth over the years.

For the GMD and GFD, who not only support the growth of the FMCG businesses, but also the other sector businesses (eg property, motor etc), and are responsible for business development and evaluating prospective new opportunities, the Board is of the view that a wider set of measures are applicable, both from a financial and an Environmental, Social and Governance (ESG) perspective.

The Benchmarking exercises of 2022, 2023 and 2025 have assisted in identifying those best practice measures which are now encompassed in the incentive formula going forward. ESG measures are still being developed as suitable baseline measures need to be established.

'Target' performance has typically been set in line with the business plan for the year, with threshold to stretch targets set around this, based on a sliding scale which takes account of relevant commercial factors.

'Stretch' performance relates to exceptional growth or attainment and results in a larger incentive award. This is typically set at between 5% and 20% above the Target depending on the measure.

'Threshold' targets are set at levels below which no incentive would be payable. This is typically set at between 5% and 20% below the Target depending on the measure.

When setting performance targets, the Committee and the Board has historically taken into account a number of different reference points, which may include the Group's business plans and strategy, external forecasts and the wider economic environment. A bottom-up approach is taken to budget setting, taking into account the specific factors relating to each business unit. These factors differ across each segment.

The weighted average score for all measures meeting Target would amount to 100%. At the Threshold this would be 50% and at the Stretch it would be 150%. This would be the maximum possible score.

The weighted average score driving the Incentives for the current year amounted to 119% (2024: 90%).

Three benchmarking exercises have been carried out on Executive and Non-Executive remuneration as follows:

First benchmarking (2022)	Remco	Based on publicly available reports issued by PwC and Deloitte
Second benchmarking (2023)	Bowmans South Africa	Independent expert review specifically for Sefalana
Third benchmarking (2025)	Khokhela Remuneration Advisors	Independent expert review specifically for Sefalana

Approach to annual target-setting

When determining the range of targets for each measure for the annual incentive, Remco and the Board considers the Board - approved budget, external factors, prior-year achievement and the wider economic environment. These differ by sector and by Region given the well diversified nature of the Group. Remco and the Board also considers the Board's assessment of how achievable the budget is. The performance target range is set on a realistic basis but requires true outperformance to achieve the maximum.

The annual bonus measures are selected to provide direct alignment with the Group's short-term operational targets. The Committee takes care to ensure that the short-term performance measures are supportive of the strategic drivers and long-term objectives. In doing so, executives are encouraged in, and appropriately rewarded for, delivering against the Group's strategic drivers. This ensures a clear line of sight and alignment of interests between Executives and Shareholders and the generation of long-term sustainable returns.

With effect from the 2026/27 financial year, and following extensive Asset Manager and Shareholder engagement, the following base lines, targets and stretch will be set for the GMD and GFD:

	Threshold	Target	Stretch
Revenue growth	CPI + 2%	CPI + 4%	CPI + 6%
PBT growth	CPI + 1%	CPI + 3%	CPI + 5%
EPS growth	CPI + 1%	CPI + 3%	CPI + 5%
TSR	8%	12%	16%
ROCE	12%	15%	18%

Malus and claw back

Malus and claw back clauses are included into the Remuneration contracts for the GMD and GFD.

Some circumstances in which malus and claw back may be operated are as follows:

A material misstatement in the financial results;

A material error in the assessment of performance;

An intentional misleading of financial information and performance; and

Misconduct.

The detailed terms and conditions are set out in the revised Executive Incentive Policy.



Remuneration report

(continued)



Non-Executive Directors

Benchmarking exercise

The Non-Executive Director (NED) fees were also reviewed in 2022 and 2025 and benchmarked against similar organizations. The outcome of the review suggested a need for an upward adjustment to align with prevailing market rates.

Khokhela was also requested to review the NED fees and concluded that these were significantly below market rates and around the 25th percentile and that these should be increased at least towards the 50th percentile.

The following summarises the adjustments made since 1 March 2022:

	Board Chair monthly retainer	NED Monthly retainer	Sitting fee	Sitting fee for Chair of Sub-Committee
Pre 1 March 2022 (P)	33,000	6,600	12,650	13,915
Post 1 March 2022 (P)	33,000	8,500	13,750	15,000
Effective 1 May 2023 (P)	36,300	12,000	15,125	16,500
Effective 1 May 2024 (P)	38,500	12,720	16,000	17,500
Effective 1 May 2025 (P)	40,000	15,000	18,000	22,000

The fees for the Chair of the Audit Committee for the current year were set at P18,500 per sitting to reflect the length of the meetings and the complexity of the committee matters.

This was increased to P28,000 for the ensuing year (2025/26) following the recommendations from the Khokhela reports.

The Lead Independent will earn a premium in accordance with Khokhela's recommendations, reflecting the additional risk and responsibility of the role. The retainer fee for the Lead Independent effective 1 May 2025 is P20,250.

Remuneration structure for Non - Executive Directors

All Non - Executive Directors are paid a monthly retainer for services rendered to the Group. These are determined by the Remco after considering the complexity of the role and the responsibilities assumed. The recent review by Khokhela also provided recommendations for NED fees.

Non - Executive Directors are paid sitting fees in respect of each meeting held. Details of the frequency of these meetings are included on pages 111-114 of this Report.

Benchmarking is done periodically and at least every 3 years. The next detailed benchmarking exercise will take place in 2028 unless a need for it arises before then.

Annual inflationary increases will be applied with an effective date of 1 January each year commencing 1 January 2026 following approval at the preceding AGM in October.

Executive Directors Remuneration:

2025

	C Chauhan	M Osman	B Davies	G Scheepers	Total
	P'000	P'000	P'000	P'000	P'000
Total Guaranteed Pay					
Salary	5 400	3 996	2 324	2 383	14 103
Retirement benefits	405	300	212	217	1 134
Short - term Incentives	6 449	4 772	2 549	2 500	16 270
Long - term Incentives	7 574	5 706			13 280
	19 828	14 774	5 085	5 100	44 787

2024

	C Chauhan	M Osman	B Davies	G Scheepers	Total
	P'000	P'000	P'000	P'000	P'000
Total Guaranteed Pay					
Salary	5 400	3 996	2 124	2 153	13 673
Retirement benefits	405	300	187	200	1 092
Short - term Incentives	4 868	3 602		2 500	10 970
Long - term Incentives	5 269	3 970			9 239
	15 942	11 868	2 311	4 853	34 974

The above amounts are included within Administrative expenses in the Statement of Comprehensive Income.

Non - Executive Directors' Remuneration:

2025

	J Marinelli	P Disberry	S Swaniker - Tettey	M Mpugwa	K Jefferis	S Ziga	Total
	P'000	P'000	P'000	P'000	P'000	P'000	P'000
Monthly retainer	462	153	153	153	153	140	1 214
Sitting fees	264	228	207	320	261	280	1 560
	726	381	360	473	414	420	2 774

2024

	J Marinelli	P Disberry	K Mere	S Swaniker - Tettey	M Mpugwa	K Jefferis	Total
	P'000	P'000	P'000	P'000	P'000	P'000	P'000
Monthly retainer	437	148	78	147	148	123	1 081
Sitting fees	89	133	71	121	150	136	700
	526	281	149	268	298	259	1 781

The above amounts are included within Administrative expenses in the Statement of Comprehensive Income.

Enterprise Risk Management



Sefalana's approach to Risk Management

The risk environment is constantly evolving and involves more than just the physical landscape that we operate in, but includes other factors such as the social, political, technological and legal risks. **As these forces continue to shape the business world, the Group recognizes the importance of staying ahead of emerging risks to successfully navigate this dynamic environment.**

To achieve our strategic and operational objectives amidst this uncertainty, it is crucial to establish robust and adaptive risk management procedures. These procedures must be both sufficient to address the full spectrum of risks **and efficient in ensuring that the Group remains resilient, proactive, and well-positioned to respond to new challenges as they arise.**

The Group recognizes effective management of risk involves an enterprise-wide approach to ensure that every aspect of the business is in line with the Group's overall risk management philosophy. This approach has seen the closer alignment of **our risk appetite and strategy in order to close the gap between the strategic initiatives and day to day operational performances and decision making.**



In principle, enterprise risk management has enabled the Group to progress towards its goals in the most direct economical and effective way ensuring that business opportunities are identified and capitalized where appropriate.

Our view is that effective risk management is critical to maintaining sustainable Shareholder value, the confidence of stakeholders, brand image and good governance. The Group remains dedicated to establish itself as a responsible and trustworthy participant in the market.

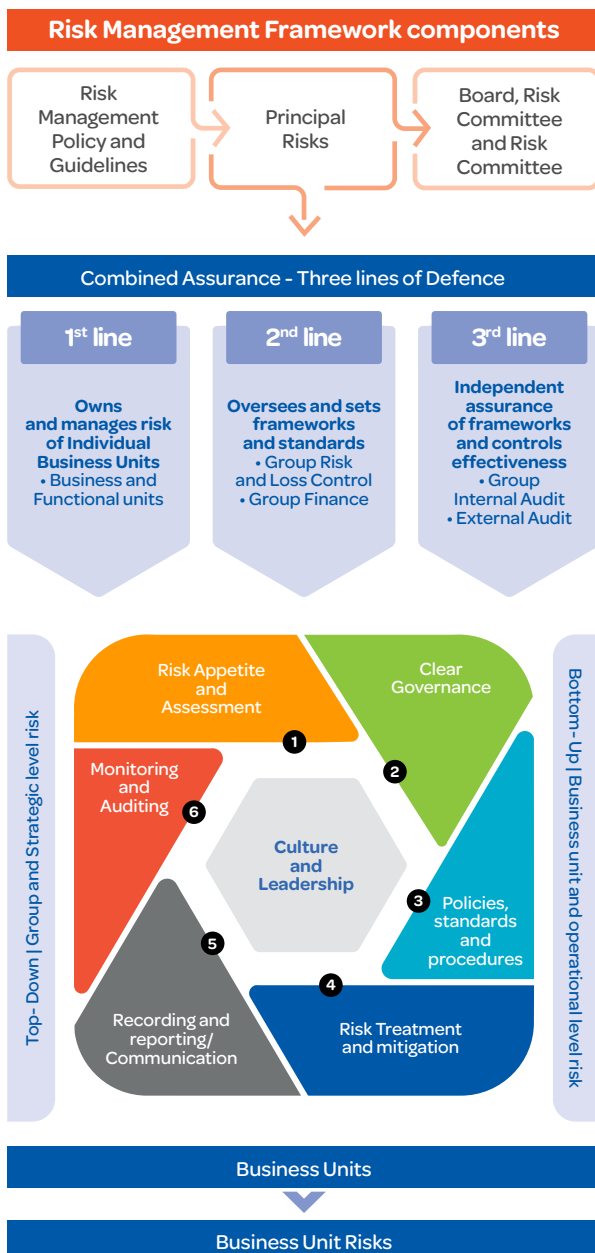
Overview of Risk Governance

The Sefalana Group's Board is committed to overseeing risk governance as an integral part of our corporate governance framework. The Board works closely with management to establish clear risk management policies and procedures, and ensures that adequate resources are provided for their implementation and monitoring.

Regular reviews of the Group's risk management practices are conducted to ensure that they are aligned with our strategy and objectives. Management is held accountable for maintaining an effective risk management program, while fostering a culture of risk management throughout the organization. The Group believes that efficient risk governance is essential to achieving our long-term success.



Group Risk Management Framework



Our structured Risk Management Framework, in conjunction with the governance setup, is crafted to offer a robust foundation for handling the significant risks inherent in business operations.

The risk management framework has regard to relevant regulations, standards and guidelines such as the King IV Corporate Governance Principles and Recommendations and includes the Group Risk Management Policy.

The Risk Management Framework of the Group outlines the various essential elements crucial for effective risk management. These encompass governance, risk evaluation and mitigation, documentation and communication, as well as assurance.

The Group's combined assurance approach is also part of the Risk Management Framework. This adopts the 'three lines of defence' model in determining the focus of assurance providers on key risks. In the implementation, distinctions are made between functions that own and manage risk, functions that oversee risk, and functions that provide independent assurance.

Culture and leadership play a critical role in the risk management framework of the Group. The Group's risk culture promotes a proactive approach to risk identification and management, with employees taking ownership of risks within their area of responsibility. Effective leadership also plays a crucial role in risk management, as leaders are responsible for setting the strategic direction of the Group and ensuring that risk management practices are embedded in our overall business strategy.



Enterprise Risk Management

(continued)

Risk appetite and tolerance

The Group's framework for risk appetite and tolerance delineates the extent of risk the Group is prepared to accept in pursuit of its business objectives. Oversight and governance of this framework rests with our Board. The framework acts as a mechanism to support the execution of the Group strategy. The parameters of risk appetite are shaped by our business strategy, our risk management objectives, and our stakeholder expectations.

Aligning Risk Management with our Strategy



Monitoring the effectiveness of Risk Management

Effective risk management requires ongoing monitoring to ensure that the Group's risk mitigation strategies are performing as intended and risks are addressed in a timely manner. The Group's risk management process involves procedures to monitor the efficiency of our risk management practices, including;

Risk reporting mechanisms that track and report on the status of our risks. Regular updates are provided to management and the Board through risk registers and dashboards;

KPI's that are aligned with our strategic objectives and measure the effectiveness of the risk management practices;

Internal audits that are conducted by our internal audit team and provide an independent assessment of our risk management practices; and

Continuous Improvement through evaluation of our risk management practices based on the results of our monitoring and assessment activities.

Business Continuity

Maintaining uninterrupted operations is crucial for sustaining our competitive advantage and delivering value to our stakeholders. The Group prioritizes business continuity planning as a critical component of our enterprise risk management strategy. By identifying and assessing potential risks to our operations, we develop targeted continuity plans and mitigation strategies to minimize the impact of disruptions. Our comprehensive risk management process allows us to prioritize threats, develop tailored preparedness measures and integrate business continuity into our risk mitigation strategies. Through continuous monitoring, adaptation, and transparency, we ensure that our organisation remains agile and resilient in the face of evolving threats and challenges, ultimately safeguarding our ability to deliver value to stakeholders and achieve strategic objectives.

Through continuous monitoring, adaptation, and transparency, we ensure that our organisation remains agile and resilient in the face of evolving threats and challenges, ultimately safeguarding our ability to deliver value to stakeholders and achieve strategic objectives.



Succession planning

We recognize that our most valuable asset is our people. As we continue to navigate the ever-evolving landscape of our industries, we understand the importance of effective succession planning. It is not only about grooming future leaders but also about mitigating risks associated with key personnel transitions. By having a well-defined succession plan in place, we minimize disruptions to our operations and ensure continuity in leadership, even in unforeseen circumstances. This proactive approach to risk management strengthens our resilience and ability to adapt to changing market conditions.

Areas of future focus

At Sefalana, we recognize the ever-changing nature of the business environment, where new risks can emerge at any time. We have identified several key areas for future focus, which will be crucial in shaping our risk management strategies to effectively address emerging risks and maintain our proactive approach. As part of our forward-looking Enterprise Risk Management, the Group is placing increased emphasis on Environmental, Social, and Governance (ESG) risks. The Group is aware of the complex challenges posed by climate change and environmental sustainability such as risks from extreme weather events, resource scarcity, and regulatory changes; and is committed to taking proactive steps to mitigate these risks. This focus on ESG risk management underscores our dedication to responsible business practices and reinforces our resilience in an increasingly dynamic global landscape.

The Group maintains a strong focus in managing technology risks

In today's rapidly evolving digital landscape, the protection of data and infrastructure from cyber threats has become a top priority for Sefalana. As the adoption of digital technologies and artificial intelligence continues to accelerate, this introduces new vulnerabilities that require careful and proactive management.

The Group is committed to navigating technologies such as AI with vigilance, ensuring they are utilized responsibly and ethically.

In addition, we are also dedicated to complying with data protection regulations, which underscore the importance of maintaining robust cybersecurity measures.

By prioritizing these efforts, we aim to mitigate risks, protect customer trust, and ensure business continuity in an era of digital transformation.

Our top priorities and risks

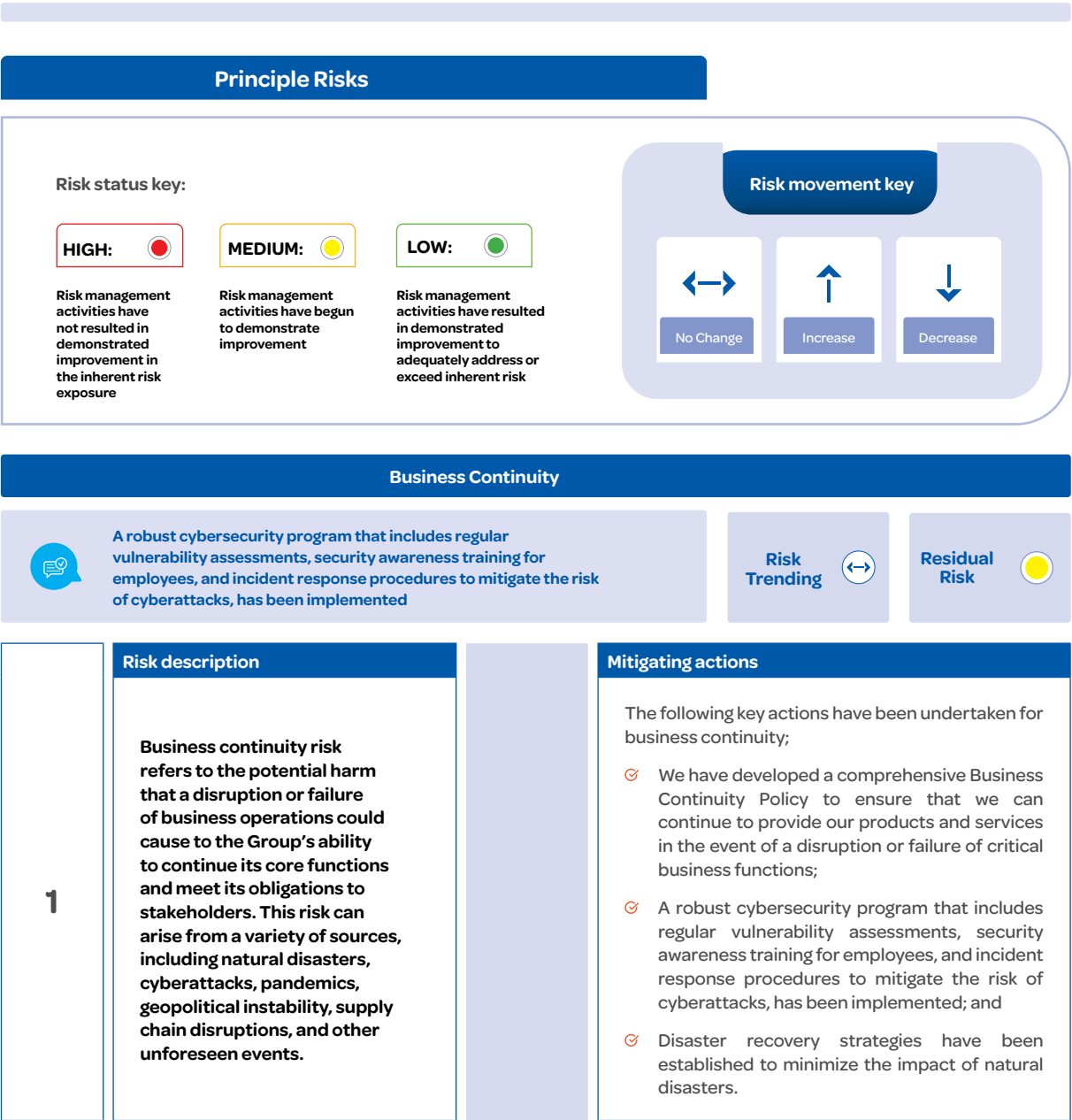
We recognize that there are a variety of risks that could impact our ability to achieve business objectives, however, we determined our principal risks through a review process that analyses the risks facing business units in relation to the overall Sefalana strategy and key priorities. The material issues are those issues that could materially impact our value chain, cause deviation from expected strategic outcomes and negatively influence our reputation.

Enterprise Risk Management

(continued)

Key risk movements

The principal and emerging risks are monitored to detect any shifts in the risk landscape that may affect the Company’s strategic goals. Risk movements are analysed to proactively manage risks and make well-informed decisions. An annual review is carried out to update the details and mitigation strategies for our principal risks, while also evaluating whether the risk levels associated with each principal risk have increased or decreased compared to the previous financial year.





Systems and Solutions



We continue to strengthen our cyber-control framework and improve our resilience and cybersecurity capabilities, including threat detection and analysis, encryption, network security, access controls, system security, payment systems controls back-up and recovery

Risk
Trending



Residual
Risk



	Risk description	Mitigating actions
2	Disruptions in our systems could harm our ability to conduct our operations. Given the number of individual transactions we have each year, it is crucial that we maintain uninterrupted operation of our business-critical information systems. Our information systems are subject to damage or interruption from power outages, computer and telecommunications failures, computer viruses, worms, other malicious computer programs, denial-of-service attacks, security breaches (cyberattacks), catastrophic events such as fires, tornadoes, earthquakes and hurricanes, and usage errors.	Our information security teams monitor and continue to enhance the IT environment in the following ways: ✔ We continue to strengthen our cyber-control framework and improve our resilience and cybersecurity capabilities, including threat detection and analysis, encryption, network security, access controls, system security, payment systems controls back-up and recovery; ✔ Developing a risk-based security testing approach across Group to identify ongoing vulnerabilities; ✔ Compliance with obligations associated with new privacy laws enacted to protect and regulate the collection, use, retention, disclosure and transfer of personal information, which include statutory liability for security breaches; ✔ Greater emphasis on IT governance with a focus on data security and privacy to provide appropriate and sustainable IT; and ✔ Particular focus on cyber risk during the year with the adoption of detection software and platforms.



Compliance with obligations associated with new privacy laws enacted to protect and regulate the collection, **use, retention, disclosure and transfer of personal information, which include statutory liability for security breaches.**

Enterprise Risk Management

(continued)

Ensuring adherence to product standards, policies and guidance covering both food and non-food, ensuring that products are safe, legal and of the required quality;



Procurement and Strategic Sourcing



Ensuring adherence to product standards, policies and guidance covering both food and non-food, ensuring that products are safe, legal and of the required quality;

Risk
Trending



Residual
Risk



	Risk description		Mitigating actions
3	The products we sell are sourced from a wide variety of domestic and international suppliers. Global sourcing of many of the products we sell is an important factor in our financial performance. We expect our suppliers to comply with applicable laws, including safety, anti-corruption and environmental laws, and to otherwise meet our required supplier standards of conduct. Our ability to find qualified suppliers who uphold our standards, and to access products in a timely and efficient manner and in the large volumes we may demand, is a significant challenge, especially with respect to suppliers located and goods sourced outside Botswana. There have also been supply chain challenges in the past year that were brought on by various global events; as well as certain trade restrictions that were introduced. These challenges led to price increases, supplier delays, non-availability of certain items; and in turn affected our ability to cater for market demands in a timely manner.		We continue to monitor and improve our controls to further reduce this risk though: - Identifying opportunities for bulk buys and discounts such that availability gaps are minimised and margins are optimised; - Ensuring adherence to product standards, policies and guidance covering both food and non-food, ensuring that products are safe, legal and of the required quality; and - Expecting our suppliers to comply with applicable regulatory requirements, including responsible sourcing and quality standards. Given the recent global events and the impact this has had on commodities and their relative availability and pricing, strategic decisions have needed to be made to minimise stock-outs in each of the countries in which we operate.

Market Position



Our key business enhancement objective is to ensure that the Group is able to respond more effectively, efficiently and competitively to the changing dynamics of our local and regional marketplace.

Risk
Trending



Residual
Risk



4

Risk description

Failure to deliver an effective, coherent and consistent strategy to respond to our competitors and changes in market conditions, resulting in poor turnover, loss of market share and failure to improve profitability

The trading environment continues to be competitive, driven by new entrants, as well as being affected by changing customer needs and expectations. We must be able to compete in changing markets.

Mitigating actions

- ✓ Our Board develops and regularly challenges the strategic direction of our business to enhance our ability to remain competitive on price, range and service.
- ✓ Our Executive and operational management regularly review markets, trading opportunities, competitor strategy and activity. We engage in market scanning and competitor analysis to refine our customer proposition.
- ✓ Our outstanding market position as a leading FMCG Group, and the strength of our brand enables us to respond robustly to competitive threats.
- ✓ Our key business enhancement objective is to ensure that the Group is able to respond more effectively, efficiently and competitively to the changing dynamics of our local and regional marketplace.

Governance and Regulatory Compliance



Our Code of Business Conduct is supported by annual compliance reviews and other tools such as our whistleblowing hotline.

Risk
Trending



Residual
Risk



5

Risk description

The Group operates in an increasingly complex regulatory environment requiring investment in compliance management systems.

Compliance is also required to uphold the Group's status as a trusted and reputable brand.

Compliance failures may result in fines, criminal penalties, consequential litigation and an adverse impact on our reputation, financial results, and/or our ability to do business.

Mitigating actions

- ✓ Our Code of Business Conduct is supported by annual compliance reviews and other tools such as our whistleblowing hotline.
- ✓ We continue to monitor and improve our controls to ensure we comply with legal and regulatory requirements across the Group.
- ✓ Communication and strong tone from the top concerning compliance with laws and regulations and encourage transparency and accountability.

Enterprise Risk Management

(continued)

Diversification and growth

Developing a diversification strategy that involves expanding into new markets, developing new products or services, or partnering with other entities to broaden the scope of the business

Risk Trending

Residual Risk

6

Risk description

As we continue to transform our businesses, the successful delivery of our business transformation programmes is critical. There is a risk that we could be unsuccessful in maximising opportunities to execute our expansion strategy.

Mitigating actions

Establishment of a Data Analytics Hub to better use of information to assist in decision making.

Developing a diversification strategy that involves expanding into new markets, developing new products or services, or partnering with other entities to broaden the scope of the business.

Technology and Data Management

Our technology security programme continues to build security capabilities to strengthen our infrastructure and Information Technology General Controls.

Risk Trending

Residual Risk

7

Risk description

Failure of our IT infrastructure or key IT systems result in loss of information, inability to operate effectively, financial or regulatory penalties, and negatively impacts our reputation.

Our focus is on enhancing customer experience by providing seamless and continuous customer service through delivery of leading digital solutions, core platform capabilities, underlying IT services required to support the Group's overall strategy for driving profitable growth.

A significant IT Strategy implementation failure could impact on our ability to provide leading technology solutions in our markets and therefore impacting on our competitiveness, our ability to provide a superior customer experience and associated impact on quality and operational efficiency.

Mitigating actions

We change and evolve to meet the needs of our customers through our digital strategy and technology developments, through listening to our customers.

Significant investment in re-engineering some of our legacy retail systems, while building redundancy for key business systems. Our technology security programme continues to build security capabilities to strengthen our infrastructure and Information Technology General Controls.

Continued investment in technology and data analysis remains a priority as the Group strategically positions itself for optimising the business to create new opportunities and grow into new markets.

Value Based Employee Culture



We monitor workforce capacity and capability requirements in line with the Group growth strategy and any emerging issues in the markets in which we operate.

Risk
Trending



Residual
Risk



8

Risk description

Failure to attract and retain the required resources and skill sets.

Our ability to successfully execute organizational changes, including management transitions within the Company's senior leadership, and to effectively motivate and retain the required capability are critical to our business success. If we are unable to locate, attract or retain qualified personnel, or manage leadership transition successfully, the quality of service we provide to our customers may decrease and our financial performance may be adversely affected.

Mitigating actions

- ✔ Market competitiveness continues to affect our ability to attract and retain key specialist talent.
- ✔ We aim to be an employer of choice, with engaged, proactive employee relationships. Over the past year, we revised our Group HR strategy in response to employee and business needs. We aim to attract, develop, retain and reward talent, and to strengthen our customer-first culture through employee engagement.
- ✔ We continue to monitor workforce capacity and capability requirements in line with the Group growth strategy and any emerging issues in the markets in which we operate.
- ✔ The Group has a stable and diverse leadership team in place. We have invested in developing our management teams and employed a diverse team of leaders over the past year. Our team members bring industry knowledge, depth of experience and a fresh view. The same rules of transformation and diversity are applied to the Board of Directors. Employment equity remains a priority in all employment considerations.
- ✔ We monitor workforce capacity and capability requirements in line with the Group growth strategy and any emerging issues in the markets in which we operate.
- ✔ The Group's employment policies and remuneration and benefits packages are regularly reviewed and are designed to be competitive with other companies, fair and consistent, as well as providing colleagues with fulfilling career opportunities.
- ✔ Our HR strategy aims to attract, develop, retain and reward talent, and to strengthen our customer-first culture through employee engagement.



We continue to monitor workforce capacity and capability requirements in line with the Group growth strategy and any emerging issues in the markets in which we operate.

Enterprise Risk Management

(continued)

Business Strategy		
 The Board and Executive management are focused on strategy and are mindful of the risks, illustrating strong direction and commitment from the top.		
Risk Trending  Residual Risk 		
	Risk description	Mitigating actions
9	Failure of our business value proposition to adequately cater to customer demands may impact results from operations and future growth.	✔ The Group has a robust and capable Board of Directors, fully attuned to Sefalana business strategy, material risks and opportunities. ✔ The Board and Executive management are focused on strategy and are mindful of the risks, illustrating strong direction and commitment from the top. ✔ Ongoing monitoring of business as usual performance to determine indicators of potential negative performance so corrective measures can be taken swiftly.
Environment Sustainability and Governance		
 Set reduction targets to support carbon footprint and water usage management across main office buildings. Carbon emissions, electricity and water consumption, and waste generation are measured, monitored and reported against set targets annually.		
Risk Trending  Residual Risk 		
	Risk description	Mitigating actions
10	The environment and sustainability are core to Sefalana values. Significant environmental and social impacts resulting from factors such as unsustainable consumption of natural resources, uncontrolled release of emissions and waste – coupled with environmental practices across the Group and its value chain – can lead to environmental, social, financial, regulatory and reputational risks for the business.	✔ Group sustainability functions are working to embed sustainability principles and practices into the Group's operations and supply chain to address social and environmental issues with a focus on food security, packaging, water and climate change. ✔ Set reduction targets to support carbon footprint and water usage management across main office buildings. Carbon emissions, electricity and water consumption, and waste generation are measured, monitored and reported against set targets annually. ✔ The Risk and Sustainability Committee oversees the impact of Sefalana's corporate responsibility and sustainability strategy. ✔ A combined assurance framework which includes internal assurance providers is in place to manage and report on risk and compliance.

Sefalana

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requirement

No waiting period,
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No minimum or
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Sefalana, the home of Motshelo

Information Management and Information Technology (IT) Governance



Overview

Sefalana's IT strategy is meticulously aligned with our overarching business objectives, ensuring strategic investments in technology. In line with King IV™ Principle 12; The Board of Directors governs information and technology in a way that supports Sefalana in setting and achieving its strategic objectives.

The Board has delegated IT governance oversight to the Audit Committee and day-to-day management to our Group-wide IT Management team. **This team operates under a robust IT governance framework, ensuring effective oversight and control.**



We prioritize monitoring the effectiveness of IT systems and information management to **guarantee the realization of project benefits and the fulfillment of business needs.**

Our mature IT General Controls (ITGC) audit process, standardized across the Group, further reinforces this commitment. Information and technology risk is integrated into our Group's risk management processes, with the Audit Committee providing oversight.

Key developments and areas of focus during the reporting period:

1. Strengthening Information security and cyber resilience:

- ✓ **Advanced security infrastructure:** Continued Investments in a Security Operations Centre, enhanced identity and access management, AI-powered threat detection, and unified endpoint management.
- ✓ **Proactive vulnerability management:** Conducted regular rigorous penetration testing and vulnerability assessment by leading independent experts to identify and address vulnerability. Implemented vulnerability management systems.
- ✓ **Cybersecurity user awareness:** Regular reviews of our automated comprehensive cybersecurity user awareness program to foster a security-conscious culture, with monthly training across departments and subsidiaries.
- ✓ **AI and machine learning for threat management:** Deployed AI and Machine Learning tools for proactive threat management, including advanced endpoint security, encryption, and threat prevention.
- ✓ **O365 advanced threat protection (ATP):** Implemented to enhance email, document security and data loss management.



2 Enhancing Policy, Compliance, and Data Governance:

Updated IT Policies:

Revised and updated Group IT security policies and procedures to ensure alignment with best practices and regulatory requirements, including the Botswana Data Protection Act of 2024 and AI Policy.

Data Protection Policy: Developed a comprehensive data protection policy to safeguard personal information and ensure compliance with data privacy regulations.

Data lifecycle management: Established clear policies for managing data from creation to disposal, including archiving and deletion, ensuring compliance and operational efficiency.

Data quality initiatives:

Implemented programs aimed at improving data accuracy, consistency, and completeness, utilising data quality tools and processes.

Data Analytics and Business Intelligence:

Leveraged data analytics to gain insights and drive business decisions, utilising advanced tools and reporting.



4 Strategic IT management and innovation:

- ✔ **IT Steering Committee:** is instrumental in providing strategic direction and oversight for IT initiatives, investments and ensuring alignment with business objectives.
- ✔ **IT project management and portfolio management:** Implemented structured project management methodologies and established processes for prioritizing and evaluating IT projects, focusing on ROI.
- ✔ **Change management:** Established a robust change management process for IT implementations, including user training and adoption strategies.
- ✔ **Innovation initiatives:** Explored and evaluated emerging technologies, such as AI, Machine Learning, cloud computing and IOT to drive innovation and improve operational efficiencies.
- ✔ **Vendor and third-party management:** Implemented a rigorous vendor selection and evaluation process, including third-party risk assessments and SLA management.

3 Improving Disaster Recovery, Business Continuity, and IT Infrastructure:

Enhanced cloud services:

Upgraded cloud services to enhance business continuity, including the implementation of independent failover capabilities and application high availability with clustering.



ICT Roadmap and strategic alignment:

Our Group ICT roadmap was reviewed during the past period and update to include new initiatives and aligned with the Group's strategic objectives, focusing on innovation, data centre modernization, enhanced user experience, robust cybersecurity, and service innovation.



Service oriented infrastructure (SOI) planning:

Preliminary categories of network, security, governance, data management, unified communications, and shared services identified, and aligned with strategic benchmarks.

Information Management and Information Technology (IT) Governance

(continued)

5 AI Strategy and Digital Transformation:

- ✔ **AI Strategy implementation:** Initiated a comprehensive AI strategy to optimise our retail operations and enhance digital offerings, focusing on personalised customer experiences, predictive analytics, and process automation.
- ✔ **Digital transformation initiatives:** The Group is focusing on digital transformation projects to streamline our operations, enhance customer engagements, and drive innovation, particularly in the customer space.
- ✔ **Customer focused automation:** We continue to explore and implemented operational process automations aimed at delivering efficiency gains, specifically in the customer space.



6 IT Audits and Compliance:

- ✔ **Regular IT audits:** We regularly conduct IT audits to provide independent assurance on the effectiveness of our technology controls and governance, including IT SLA reviews, user access management, penetration testing, and data security reviews.

7 IT Training and Development:

- ✔ **IT skills development:** Implemented programs and initiatives aimed at developing the IT skills of employees, including training for new systems, emerging technologies and certifications.



8 Sustainability and Green IT:

At Sefalana, we understand that our role extends beyond providing quality retail services; we are committed to building a sustainable and responsible business that positively impacts our communities and the environment. We are actively integrating Environmental, Social, and Governance (ESG) principles into our IT governance framework, ensuring that our technology strategy supports our overall sustainability goals and reflects our commitment to ethical business practices within the Botswana and regional context.

Environmental (E):

Optimizing energy use in our operations:

- ✔ As a significant retail operator, we recognize the importance of managing our energy consumption. We are implementing energy-efficient IT solutions, including cloud-based systems and server virtualisation, to reduce our environmental footprint across our stores and data centres.
- ✔ In alignment with our ROCE considerations, we are prioritizing IT investments that demonstrate a clear return on investment through reduced energy costs and a lower carbon footprint, specifically within our data centres and back office operations.

Responsible Management of IT assets:

- ✔ We have established robust procedures for the responsible disposal and recycling of outdated IT equipment, minimizing electronic waste and promoting a circular economy within our operational areas.
- ✔ We are committed to extending the lifespan of our IT assets through regular maintenance and upgrades, reducing the need for frequent replacements and minimizing environmental impact.

Supporting Sustainable supply chains:

- ✔ We are working with our IT vendors to promote sustainable practices throughout our supply chain, prioritising partners who demonstrate a commitment to environmental responsibility and ethical sourcing.

Social (S):

Enhancing digital access for our Communities:

- ✔ We are committed to leveraging technology to enhance digital access for our customers and communities, particularly in areas where digital literacy may be limited.
- ✔ We are ensuring that our digital platforms and services are accessible to individuals with disabilities, promoting inclusivity and equal access to information and services.
- ✔ We have increasing cyber security and Data Protection training for all staff, and also providing customer facing information on how to avoid cyber scams and Data Privacy threats.

Protecting customer data and privacy:

- ✔ We are prioritising the protection of our customers' personal data, implementing robust security measures to safeguard sensitive information and comply with the Data Protection Act of 2024.
- ✔ We are committed to transparency and accountability in our data handling practices, ensuring that our customers understand how their data is collected, used, and protected.

Ethical technology use:

- ✔ We are ensuring that any AI or other new technologies used within our environment are used ethically, and that we are transparent about their use.
- ✔ We are committed to ensuring that all employees are trained on the correct and ethical use of company technology.



Governance (G):

Strengthening IT Governance and oversight:

- ✔ Our IT governance framework ensures that ESG considerations are integrated into our strategic decision-making processes, with oversight provided by the Audit Committee.
- ✔ We conduct regular risk assessments to identify and mitigate potential ESG risks associated with our IT operations, ensuring that our technology strategy aligns with our overall sustainability goals.

Promoting transparency and accountability:

- ✔ We are committed to transparently reporting on our IT-related ESG performance, aligning our reporting with recognized ESG frameworks and standards.

Driving continuous improvement:

- ✔ We are constantly reviewing and improving our IT related ESG practices and ensuring that we are keeping up to date with best practice.

Planned Areas of Future Focus:

- ✔ Continued development and implementation of the Service-Oriented Infrastructure (SOI).
- ✔ Continuously enhancing cybersecurity frameworks and investing in advanced security technologies.



- ✔ Establishing robust privacy and data management forums.
- ✔ Continued review of third-party risk management to assess and monitor general and security controls
- ✔ Replacing obsolete technology and migrating legacy applications to the cloud.
- ✔ Continued focus on digital transformation, and customer focused automation.
- ✔ Formalizing the process of technology scouting and evaluation.



You Cook We supply the ingredients





Sefalana Catering

Premium supplier
for catering industry



Audit Committee Chair's report



On behalf of the Audit Committee, I am pleased to present my report for the year ended 27 April 2025. This report summarises the areas of focus and work conducted by the Committee over the course of the year.

The Audit Committee supports the Board in its duties to review and monitor, on an ongoing basis, the effectiveness of the Group's risk management and internal control systems. The Committee works closely with the Group's Risk and Compliance Committee to achieve synergies between combined assurance processes and ensure that the Group operates within a framework of prudent and effective controls that allow risk to be identified, assessed and managed. Reports from the Risk Committee are considered at every committee meeting.



The Audit Committee is an essential component of the Sefalana Group's governance framework. Among others, the Committee's role is to assist the Board with the discharge of its responsibilities in relation to the following key functions:

Oversight of the integrity of the Group's financial statements, reporting processes and risks;

Management of the relationship with the Group's External Auditor;

Oversight of the Group's internal controls and assurance processes; and

Oversight of governance as a whole.

During the reporting period, three meetings were held. Meetings are scheduled to coincide with the key dates in the Group's financial reporting and audit cycle. All the members of the Committee are independent directors and meet predetermined skills, competency, and experience requirements.



Key areas of focus during the year

In line with its purpose and key responsibilities, the Committee's time over the course of the year was spent in consideration of:

Internal control, risk management and compliance	Internal audit	External audit	Financial reporting	Governance
✔ Reports from the Group's Risk Committee ✔ Adequacy and effectiveness of the Group's systems of control and processes in areas such as financial reporting, risk management, regulatory compliance and business continuity ✔ Business assurance on fraud and corruption ✔ Reviews on cyber security and penetration tests results ✔ Compliance with regulatory rules and compliance monitoring findings	✔ Internal audit Charter ✔ Internal audit strategic plan for the next three years ✔ Performance of Internal Audit activities ✔ Internal audit reports ✔ Control observations raised by Internal Audit, and Management's response to their recommendations	✔ Reports from the External Auditor ✔ Overseeing External Auditor appointment, independence, remuneration, tenure, and consideration of the need for rotation ✔ Review of the audit approach and methodology	✔ The Group's periodic/ interim and annual financial reports and related results announcements to ensure integrity, transparency and consistency of the financial disclosures ✔ Key accounting judgements and estimates	✔ Plans, policies, and frameworks within the mandate of the committee ✔ Audit Committee Terms of Reference/ Charter ✔ Annual review of the Company's compliance with the Corporate Governance Code and reporting to Shareholders

Internal control and risk management

The Audit Committee supports the Board in its duties to review and monitor, on an ongoing basis, the effectiveness of the Group's risk management and internal control systems. The Committee works closely with the Group's Risk and Compliance Committee to achieve synergies between combined assurance processes and ensure that the Group operates within a framework of prudent and effective controls that allow risk to be identified, assessed and managed. Reports from the Risk and Compliance Committee are considered at every committee meeting.

No findings from either the Internal Audits or External audits have come to the attention of the Committee to indicate that any material breakdown in internal controls has occurred during the year.

The Audit Committee confirms that the Company has established appropriate financial reporting procedures and that those procedures are operating effectively. Accordingly, the committee is assured that the system of internal control in place Group - wide is adequate and is operating effectively.

Combined assurance

Combined Assurance refers to the integration, coordination and alignment of risk management and assurance processes to optimise and maximise the level of governance, control, and oversight over the risk landscape. The Combined Assurance Model aims to optimise the assurance coverage obtained from Management and internal and external assurance providers on the risks facing the Group.



Audit Committee Chair's report

(continued)

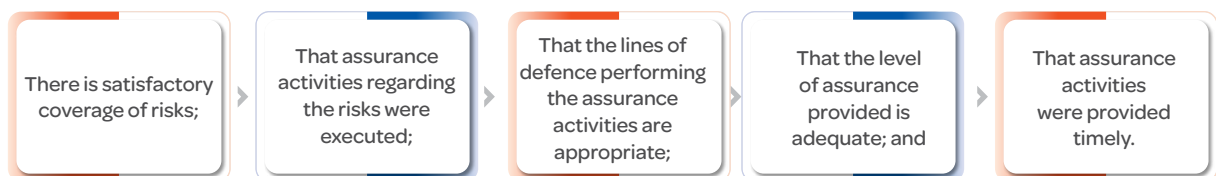
The current combined assurance model in place is representative of how the risks are currently being managed between the three lines of assurance. Risk, Compliance and Internal Audit have implemented a coordinated structure for planning, executing and reporting on internal audit, compliance and risk activities.

The committee is satisfied that the Group has optimised the assurance obtained from the three lines of assurance and that the model is effective in achieving the objectives of coordinating assurance and reporting to provide Management and the Board with a clear view on what the Group risks are and the effectiveness of risk mitigations.

Audit committee members include the Chair and members of other committees to ensure cross review and alignment as well as to provide input regarding management of risks and assurance activities.



The Committee considered and evaluated the combined assurance framework and the assurance plans to ensure:



The Committee is satisfied that the execution of the combined assurance plan from all three lines of assurance, being management, oversight forums and external assurance providers, has been satisfactorily completed during the year.



Whistleblowing and fraud arrangements

The responsibility for overseeing whistleblowing is within the remit of the Audit Committee. During the period under review, the Audit Committee considered the Group's whistleblowing arrangements and procedures for fraud prevention and detection to ensure that these allow for the proportionate and independent investigation of such matters and appropriate follow up action.

Internal audit

In executing its Board-assigned mandate, Internal Audit follows a risk-based audit methodology in compliance with the IIA and the International Standards for the Professional Practice of Internal Auditing. The main objective of Internal Audit is to assist the Board and Executive Management with the effective discharge of their responsibilities by evaluating the adequacy and effectiveness of risk management, the control environment and governance processes. Internal Audit maintains its organisational independence by reporting functionally to the Audit Committee and administratively to the Group Managing Director.

The Group Head of Internal Audit has a standing agenda item at each Audit Committee meeting to update the Committee on audit activities, progress of the audit plans, the results of any unsatisfactory audits and the action plans to address these areas. The results of Group Internal Audit's work are important to the Committee and provide additional assurance to the controls framework in place across the Group.

The detailed scope of work for Internal Audit is outlined in the three-year strategic and annual internal audit plans, both of which are subject to the Audit Committee's annual review and approval. Quarterly feedback on the progress of the annual plan is provided to the Audit Committee.

In accordance with its terms of reference and the internal audit charter, the Committee:

✓	reviewed and approved the 3-year internal audit strategy, annual internal audit plan and the internal audit charter;
✓	considered reports from the internal auditors on the work performed throughout the year and their annual written assessment; and
✓	met separately with the Internal Auditors in the absence of Management to ascertain that the independence, quality, credibility, and effectiveness of the internal audit process was maintained and received confirmation that no restrictions nor pressure were put on them to suppress audit findings.

Considering the work done in the current year by the Internal Auditors, we are satisfied that the internal audit function is operating effectively, is independent and that it has addressed the risks pertinent to the entity in its audits. There were no events that would have compromised the internal audit function.

It is the opinion of Internal Audit that, during the reporting period, processes were generally adequate and provided reasonable assurance that the operating environment demonstrates the implementation of effective controls.

The detailed scope of work for Internal Audit is outlined in the three-year strategic and annual internal audit plans, both of which are subject to the Audit Committee's annual review and approval. Quarterly feedback on the progress of the annual plan is provided to the Audit Committee.



External audit

On behalf of the Board, the Audit Committee has primary responsibility for overseeing the relationship with, and performance of, the External Auditor. This includes making recommendations to the Board on the appointment, re-appointment and removal of the External Auditor, assessing their independence and effectiveness and approving the audit fee.

The Audit Committee meets regularly and privately with the External Auditor. These meetings allow for regular and open dialogue of any issues relevant to the Committee's work.

Appointment

During the year, the Committee recommended PricewaterhouseCoopers (PwC) to Shareholders for appointment as the External Auditor, for the financial year ended 27 April 2025.

Audit Committee Chair’s report

(continued)

Annual external audit plan and assessment of External Audit’s effectiveness

The Audit Committee reviewed PwC’s audit strategy, scope and plan for the 2024/25 audit, highlighting any areas which would receive special consideration. This included assessing whether the planned materiality levels and proposed resources to execute the audit plan were consistent with the scope of the audit.

During the year, the External Auditor regularly updated the Audit Committee on the status of their procedures and preliminary findings, providing an opportunity for the Audit Committee to monitor the execution and results of the audit. The Audit Committee Chair held separate closed meetings with the External Auditor prior to Audit Committee meetings.

The Audit Committee has carried out its statutory duties, including re-evaluating the performance of the External Auditor and agreeing on the terms of their audit plan, budget and terms of engagement.

The Audit Committee is satisfied with the effectiveness and appropriateness of the key audit matters reported on by the External Auditor. In assessing the effectiveness of the External auditor, the Audit Committee considered the following:

the quality of presentations to the Board and Audit Committee

the technical insights provided relevant to the Group

key audit findings, including their robustness and perceptiveness in handling of key accounting and audit judgements

their demonstration of a clear understanding of the Group’s business and key risks

The Audit Committee has carried out its statutory duties, including re-evaluating the performance of the External Auditor and agreeing on the terms of their audit plan, budget and terms of engagement.



Independence of the External Auditor

The Committee is satisfied that the auditors, PricewaterhouseCoopers are independent and were able to conduct their audit functions without any influence from Sefalana Group. This conclusion was arrived at after taking into account the representations made by the auditors to the Audit Committee:

✔	that the auditors do not, except as External Auditor or in rendering permitted non-audit services, receive any remuneration or other benefits from the company;
✔	that the auditors’ independence was not impaired by any consultancy, advisory or other work undertaken by them;
✔	that the auditors’ independence was not prejudiced as a result of any previous appointment as auditor; and
✔	that the auditors met, in all material respects, the criteria specified for independence by international regulatory bodies

The Committee remains fully satisfied with the ongoing independence, impartiality, competence, resources, service levels and objectivity of the firm. The consistently high levels of financial reporting maintained by the Group, and the Group's robust internal control environment, further indicate that the audit process and the assurance it provides remain sound.

After due consideration, the Committee approved the auditor's remuneration, satisfying itself with the fees payable in respect of the audit and non-audit services. No independence concerns were noted.

Group Finance Director and finance function's expertise, resources and experience

Based on a consideration of the qualifications, participation in continuing professional education and the nature, duration and relevance of the experience of key managers in the Group's finance division, as well as a review of the staff complement, functional responsibilities of and information systems available to the department, the Committee reports in terms of King IV that it is satisfied as to the appropriateness of the collective expertise, experience and effectiveness of the Group's finance function. The performance of the Group Finance Director, who is responsible for the overall Group's finance function, is annually assessed, and the Committee is please and satisfied with his performance.

Focus areas for the ensuing year

Looking ahead, the Committee's key priorities will include maintaining oversight of the Group's risk management and internal control processes, sustaining a strong culture of risk management across the Group, continuing to monitor the impact of climate change on assumptions and taking a proactive approach in anticipating and preparing for any legislative or regulatory changes which may be required to internal controls and reporting.

We will continue to focus on further enhancing the integrity of the financial controls and management systems, governance of information and technology and robustness of the Company's cyber security arrangements, to ensure that they reflect the changing risks of our high-growth business.

In addition, the Committee's focus in the ensuing year will be to provide oversight on :

✔	Information and technology (IT) strategic roadmap, including adoption of generative artificial intelligence, to ensure continued alignment of IT with business needs, and the promotion of operational efficiencies
✔	Reporting on the emerging topics of Environmental Social and Governance (ESG) reporting which has become increasingly important; and
✔	Management attention to optimisation of the combined assurance arrangements and enhancing their effective application across the Group

Audit Committee statement on annual financial statements

Following its review of the consolidated and separate annual financial statements of Sefalana Group for the year ended 27 April 2025, the Committee believes that, in all material respects, these comply with the relevant provisions of the Companies Act and IFRS® Accounting Standards and fairly present the annual financial statements of the Group. The Committee has also satisfied itself on the integrity of the integrated annual report for the year ended 27 April 2025.

A key requirement of our audited financial statements (AFS) is for the company AFS to be fair, balanced, understandable and provide the information necessary for stakeholders to assess the Group's position, performance, business model and strategy.

Based on the review of the audited financial statements, the Audit Committee is of the opinion that, in all material respects they comply with the relevant provisions of the Companies Act and IFRS Accounting Standards and the interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), and that they fairly present in all material respects, the results of operations, cash flows and financial position of the company and the Group for the year then ended.

The Committee concludes that the system of internal controls over financial reporting, the risk management activities, as well as the combined assurance processes of the Group, are adequate and operating effectively.

The Audit Committee is satisfied with the financial statements, accounting policies and the internal financial controls of the company. The Audit Committee has reviewed the annual financial statements and recommended it to the Board for approval.

The Audit Committee is satisfied that it has adequately discharged its responsibilities and performed its duties with prudence and provided independent opinions in the best interests of the Group without any restriction in the obtaining of data, resources, and the full cooperation of the Company.

On behalf of the Group Audit Committee

Mrs Susanne Swaniker- Tettey
Audit Committee Chair
(Independent Non- Executive Director)



COMPANY PROFILES



04



**Creating
value through
Diversification**

The Sefalana Group of Companies has proudly established itself as a cornerstone of growth and opportunity. Over the decades, the Group has expanded into diverse sectors, becoming a true basket of opportunities that benefits both our Shareholders and the communities we serve.

51
years
of creating
value

04
COMPANY
PROFILES

Our Management teams

Our Sefalana Head Office team



CC

Chandra Chauhan
Group Managing Director (GMD)



MO

Mohamed Osman
Group Finance Director (GFD)



OM

Omphemetse Mokgosi
Personal Assistant to GMD and GFD



SP

Saju Peter
Group Financial Controller



HK

Humairaa Kara
Subsidiary Finance Manager



DM

Daniel Mompoti
Senior Group Accountant



BM

Bofithile Malesela
Group Property Accountant



LB

Libu Brown
Group Risk & Compliance Officer



JR

Joanne Robinson
Group Company Secretary



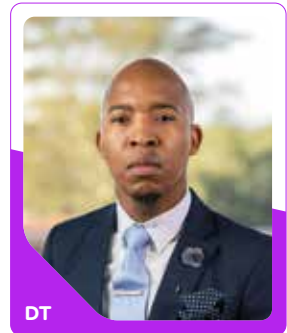
MS

Michael Simaye
Group IT Manager



TM

Tumisang Mmopi
IT Administrator



DT

Dikitso Tsonope
Group Senior Data Analyst



NT

Nthabiseng Thabo
Group Data Analyst



NM

Neo Morgan
Group Data Analyst



KM

Kennedy Molwantwa
Group Junior Data Analyst



SM

Segolame Audrey Mokoba
Accounts Assistant



Your basket of opportunities



LR

Lorato Radiposo
Head of Internal Audit



TM

Tshepiso Matlhare
Group IT Auditor



YM

Yule Madikwe
Group Internal Auditor



MR

Maipelo Ramotswiri
Internal Auditor



OJ

Otsile Johwa
Group Human Resources Manager



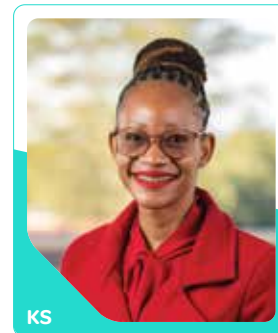
OM

Obert Mooketsane
Group HR Assistant Officer



TM

Tapiwa Muzembe
Group Brand Custodian



KS

Keletso Segwagwe
Group Marketing



OM

Otsile Maoba
Office Cleaner



MD

Mosetsana Disela
Receptionist



GS

Gaolathe Solomon
Receptionist



KS

Kgotsile Setumo
Messenger

Our Sefalana Cash & Carry Wholesale & Retail team

Our Management teams (continued)



Gerhard Scheepers
Chief Executive Officer



Moagi Buzwani
Country Head of Wholesale



Sunil Urath
Country Head of Retail



Mike Makin
Sefalana Cash & Carry
- Finance Director



Delores Adul
Head of Merchandise



David Levin
Head of Corporate Services



Suvin Sukumar
IT Executive



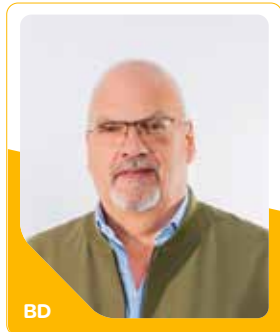
Godfrey Ndwapi
Head of Risk



Mmapula Pilane
Head of Human Resources

Our Metro Cash & Carry team

Our Management teams (continued)



BD

Bryan Davis
Metro Cash & Carry Namibia -
Managing Director



EW

Eswee van Wyk
Deputy Managing Director



SA

Sinsikus Amwiigidha
Finance Director



KB

Kobus Boshoff
Marketing and Merchandise
Executive



JR

Jade Rickerts
Analytics & Systems
Development Executive



HZ

Hebertus van Zyl
Operation Executive



AP

Armand du Preez
Corporate Systems Executive



RR

Rhyno van Rooyen
Risk Executive



HP

Heidi Pretorius
Human Resources Executive



EP

Erika Pienaar
GM : Merchandise



LW

Louise de Wit
GM Asset Management
& Logistics



VL

Venitius Lipinge
GM: Corporate Systems



LB

Lucas van den Berg
Fresh & Perishables Executive



DS

Deon Sevenster
Head of Special Projects



LR

Lahja Risto
PA to the Executives

Our Lesotho Cash & Carry team

Our Management teams (continued)



DS

Devin Serfontein
Country Director



DM

Daniel Mompoti
Senior Group Accountant



JD

Johnny Decastro
Retail Specialist



AT

Andre du Toit
Maseru Branch Manager



EB

Etienne Botha
Maputsoe Branch Manager



ML

Mohau Lebeko
Maputsoe Liquor Branch Manager



SP

Sadik Patel
Senior Buyer



ON

Owais Nikoria
Buyer - Private Label Ambassador



KM

Keabetsoe Makha
Maseru Cash & Carry
Administration Manager



KM

Kahliso 'Mota
Maputsoe
Administration Manager



MS

Mantoa Sebophe
Maseru Liquor
Administration Manager



DD

Dingaan Dingaan
Marketing Co-ordinator



MP

Mofutsana Pitikoe
Regional IT specialist



LR

Lethoko Ralethoko
Manager - Mphahle's Hoek



TL

Teboho Lephema
Sales Liquor Maputsoe

Our Seasons - Australia team

Our Management teams (continued)



DP

Dustin Pereira
 Chief Executive Officer



WL

Warren Lovell
 Chief Finance Officer

Our Foods Botswana Beverages team

Our Management teams (continued)



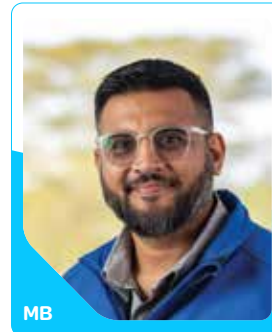
SV

Scharl Varnfield
Operations Manager



ZM

Zeenat Malek
General Manager



MB

Murtuza Bengaliwalla
Sales Manager



CL

Comfort Letshwenyo
Production Foreman



EK

Ene Xibiki Kgwarae
Water Production Supervisor



LE

Lucy Evans
Senior Lab Technician



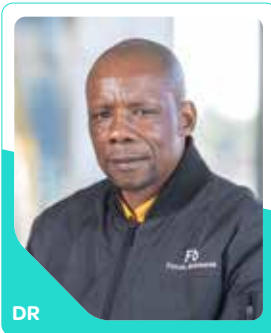
BD

Boikago Discharge
Warehouse Supervisor



MT

Mosweu Tsumake
UHT Processing Supervisor



DR

David Radipeo
UHT Senior Tech



TM

Tapiwa Maika
SHE Officer



BM

Boitumelo Moipolai
Human Resources Officer

Our Foods Botswana Milling team

Our Management teams (continued)



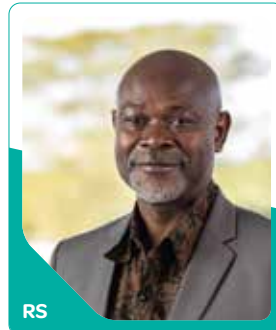
OG

Oaitse Goitsewang
General Manager - Production



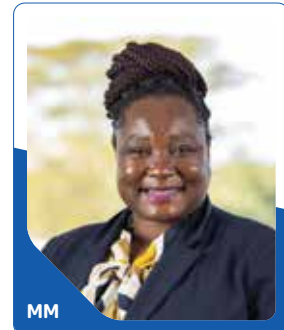
PM

Patrick Muzhingi
Finance Manager



RS

Randas Siziba
Miller



MM

Mavis Manyapelo
Human Resources Officer



CM

Charles Mogami Mokgobinyane
Quality Assurance Officer



BM

Blessing Mundaumbe
Mechanical Technician



NC

Nyaladzi Chitobela
Healthy & Safety Officer



KM

Karabo Prince Masima
Production Manager



MP

Mmoloki Ponatshego
Electrical Technician

Our Commercial Motors team

Our Management teams (continued)



Akhtar Nanuck
General Manager



Khumo Christos
Finance Manager



Nazim Shaikh
Parts Manager



Sanjeev Kumar
Workshop Manager
(MAN & Powerstar)



Upul Kalansooriya
Workshop Manager (Francistown)



Rejesh Kumar
Workshop Manager
(Tata, Honda, Baic & Eicher)

Our Sefalana Fresh Produce team

Our Management teams (continued)



Sefalana Fresh Produce
A Sefalana Group Company



SU

Sunil Urath
Country Head of Retail



PV

Praveen Veliyath
Retail Business Manager



PO

Penny Orman
Branch Manager



EM

Ezekiel Masigo
Warehouse Assistant Manager



TM

Thato Mathanka
Sales and Marketing
- Sefalana Catering



PR

Paregh Ravindran
Business Development Manager
- Sefalana Catering



KB

Katlego Boitumelo
Branch Manager
- Sefalana Catering

Our Level 55 team

Our Management teams (continued)



SB

Suresh Balaraman
Director



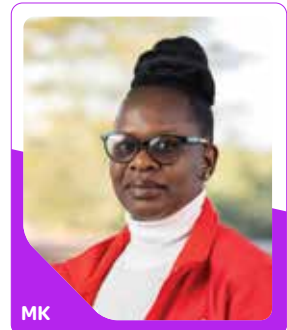
DM

Deon Mooney
Director



SB

Sylvester Bopape
Project Manager



MK

Messiah Ketlhabanetswe
Admin Manager



PM

Pearl Mokgolodi
Finance Manager



RM

Robert Mwayideyi
Factory Manager



KK

Kamogelo Lane Kedimotse
Project Co-ordinator

Our Turnbridge Projects team

Our Management teams (continued)



Brad Pullen
Director



Manikandan Thanu Krishnan
Factory Manager



Brandon Smith
Outdoor Manager



Gofaone Seleka
Sales Manager



Pearl Mokgolodi
Finance Manager

Sefalana Cash and Carry Limited



Sefalana Cash and Carry Limited operates in the fast - moving consumer goods (“FMCG”) sector. The Company’s store portfolio is spread strategically across Botswana. We are Botswana’s leading FMCG business. We now have 134 outlets across the country.



Sefalana Cash and Carry Limited operates in the fast - moving consumer goods (“FMCG”) sector. The Company’s store portfolio is spread strategically across Botswana.



During the year, the division opened seven new stores, including renovations to our Shopper and Hyper stores. These upgrades introduced fully serviced departments such as bakeries, juice bars, and delis. We are excited about our continued growth and have plans underway to open more stores and further expand our footprint.



400

Voluntary retail franchise members



In addition, the Company has just under 400 voluntary retail franchise members located throughout Botswana who trade under the names Supa 7, Supa Deal, Citi Saver, Bonanza, Pula Value and Triple Seven Liquor and Saveway. This initiative supports the Group's vision of improving the lives of Batswana through promoting entrepreneurship.

We are represented across the country in the following formats:

23

Cash & Carry outlets trading as "Sefalana Cash & Carry"

34

Retail supermarkets trading under the name "Sefalana Shopper"

6

Hyper Stores operating as "Sefalana Hyper"

6

Convenience stores under the name 'Sefalana Quick',

2

Retail Hybrid stores under the name 'The BIG One'

57

Liquor stores called 'Sefalana Liquor'

6

Fuel stations under the Puma and Caltex franchise and Distribution centres nationwide



Sefalana Cash & Carry Limited

(continued)

Sefalana Cash & Carry has evolved to meet the needs of the modern-day customer. Through astute leadership and a devoted staff compliment, we have been able to bring forth a number of 'Firsts' to the Botswana market. These include:

Launch of **Sefalana Rewards** in 2016, making Sefalana the first local entity to introduce a loyalty program to its customers, allowing customers to earn points on current purchases which can be redeemed at a later date. We improved this offering to include an option to 'Bank Your Change' which is proving popular with customers.

Launch of **Sefalana's first fuel station** under the Puma franchise in Setlhoa in 2019, offering an added convenience to our customers as they are able to re-fuel their vehicles while shopping for groceries on their way home. We now operate six fuel stations across Gaborone.

Launch of our first hybrid store in 2019 (Sefalana Shopper Setlhoa, 'The BIG One'). This store offers an extensive range of fresh fruit and vegetables, a butchery, a bakery, a hot foods deli, an in-store pharmacy, a fresh seafood section, a 'grab and go' corner for quick meals and an Eastern delicacies section offering Asian spices and herbs. We now have two hybrid stores.

Launched our very own chicken franchise, **Wings & Things**, in 2020 competing directly with leading fast food chains. **Wings & Things** now has presence in 36 stores. This new offering is becoming increasingly popular as our range of offerings expands.



Since the opening of our flagship Setlhoa Shopper store, 'The BIG One' in 2019, we have been on the lookout for suitable locations to open additional stores with a similar format. We are pleased to have identified a number of sites where we have maintained the look and feel of this new format.

Looking back at our history, our operations commenced in 1974 when Sefalana Sa Botswana was formed and took over the operations of Bechmalt Holdings which included six wholesale stores. Over the last 51 years, our FMCG operations have expanded throughout the country making Sefalana a house-hold name and a trusted Botswana brand.



We pride ourselves in being a one-stop-shop for our customers and providing a wide range of quality products and services at competitive prices. Our focus continues to be on enhancing the shopping experience for our customers through improved product displays, a diversity of new products sourced from across the globe, well stocked isles and a better store layout and access to a variety of services.



Our dedicated store management team is always keen to provide a helping hand to customers and is supported by a team of Regional Managers and a central leadership structure. Store managers focus on running their stores, **meeting consumers and supporting Communities** in line with providing the highest levels of quality and experience that customers expect from a brand they have come to believe in and trust.

We are increasingly becoming a preferred Retailer and Wholesaler of choice in the market through our hard work and dedication to quality customer experience. We focus on ensuring our supply chains are efficient and reliable and that our service standards are monitored closely and continually improved, increasing efficiency and achieving optimal levels of inventory in store.

Our 'A Star' range of branded products continues to gain popularity and is a top seller in our stores, providing to be a preferred brand for customers. A second private label brand, Family Favorite, was relaunched in the market in 2021. Together we have over 50 different private label products our brand ranges from perishables such as milk and flour to household toiletries and canned products. This has allowed us to offer our customers quality products at competitive prices.

The market share of our retail division continues to grow as we move from catering for the lower-medium income earning market to including the more affluent, modern consumer. We aim to further contribute to the market through enhancing our product offering, modernising the layout of our stores and creating more modern stores.

Sefalana continues to be an employer of choice and this is why we have long standing employees, some of which have been with us from the very beginning. We believe in investing in our human capital and providing continuous development programs for our staff. All training programs are BQA accredited and enable career progression. Sefalana also has an affiliation with the University of Stellenbosch for the development of store level staff. We are proud of having the best Graduate Trainee program in the FMCG market which is one of the most sought after programs in the country. We have recently launched an inhouse e-learning platform to give better access to training, and an intranet that provides staff with a plethora of useful and relevant information related to their employment.

We partnered with the Botswana Institute of Chartered Accountants (BICA) and are a BICA Accredited Training Employer (ATE) offering approved practical experience towards the BICA qualification. We are proud of this accreditation and are happy to have BICA trainees under our employment, developing future leaders.

During the year, our Catering division, Sefalana Catering, combined with Sefalana Fresh Produce to leverage their business network and refrigeration capabilities. The division is committed to quality, convenience, and customer satisfaction, and are ready to cater to your culinary needs.



Sefalana 50th

During the year, the Group celebrated its 50th anniversary of operations and launched Botswana's biggest FMCG birthday promotion. This "wanna be a millionaire?" competition ended in December 2024 where one lucky winner walked away with P1 million in cash. In addition, there were two individuals who won P500,000 cash each, ten who won P100,000 cash each, 71 won P50,000 cash each and over 1,800 smart phones were given away. This was a very successful competition and changed the lives of many people across the country. We are very proud to have been able to give back to our valued customer base.



Sefalana Cash and Carry Namibia

(Proprietary) Limited ("Metro")



In December 2013, Sefalana embarked on its Regional expansion journey and took the bold step of opening our first store outside of our borders in Katima Mulilo, Namibia. Within a year, the Group acquired Metro, one of the largest FMCG chains in Namibia with 12 stores spread across the country. This enabled us to carve our footprint deep into Namibian soil and make a name for ourselves in the local market.

Led by a well experienced management team in Windhoek, Namibia and a staff compliment of just under 2,000 employees, our Namibian business has achieved tremendous success over the years.

Our mission is aligned with our core values as we build a sustainable basket of opportunities for our shareholders, employees and customers. **We strive to exceed customer expectations through provision of a pleasant and affordable experience driven by innovation and data driven decision-making.**

We are pleased to have extended our presence in new localities across Namibia, serving more customers closer to their homes. **We now have 32 stores across the country.**



We continue to look for suitable sites to make the brand more accessible to customers and identify opportunities to revamp existing stores, providing a new look and feel for our customers.

We pride ourselves in offering a wide choice of products at the best possible prices to the consumer and members of staff. In line with this, we have extended our offering at key stores in the country through the introduction of instore fruit & veg department, bakeries and butcheries making our stores a one-stop shopping experience for our customers. As part of our store enhancements, we have introduced water refill stations and take away departments to selected locations.

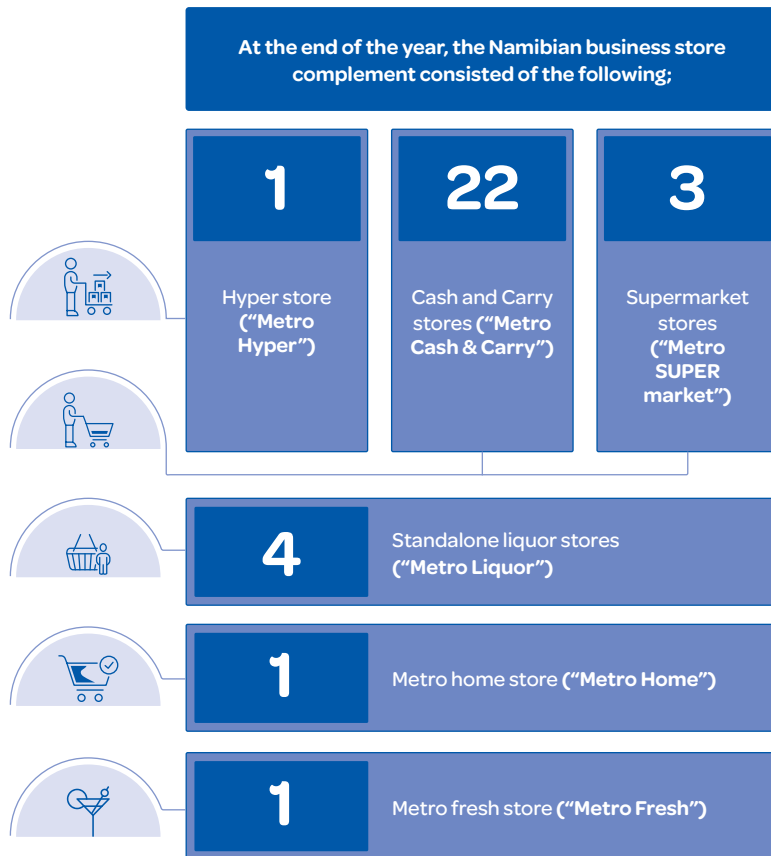
We offer nationwide delivery and telesales services, reaching even the most remote areas of the country. Each of our stores is equipped with a dedicated telesales person who is readily available to assist customers with bulk orders. Additionally, our team of Metro representatives operates in various regions across the country, ensuring that shoppers have convenient access to all major brands.



Our Sefalana's private label range of products (Family Favourite) does well in the Namibian market through collective cross country efforts with Botswana and Lesotho to offer our customers quality products at affordable prices.



Over the years, the Metro business has registered over 500 Banner members under the Lucky 7 and The Rainbow Franchise program. We continue to provide to support through advertising, branding and pricing to support local business owners. These establishments have been deeply rooted in various local communities for many decades, enjoying a well-established presence and a high level of familiarity among the local residents. These initiatives are aligned to the Group's objective of driving entrepreneurship and improving the lives of the communities we serve.



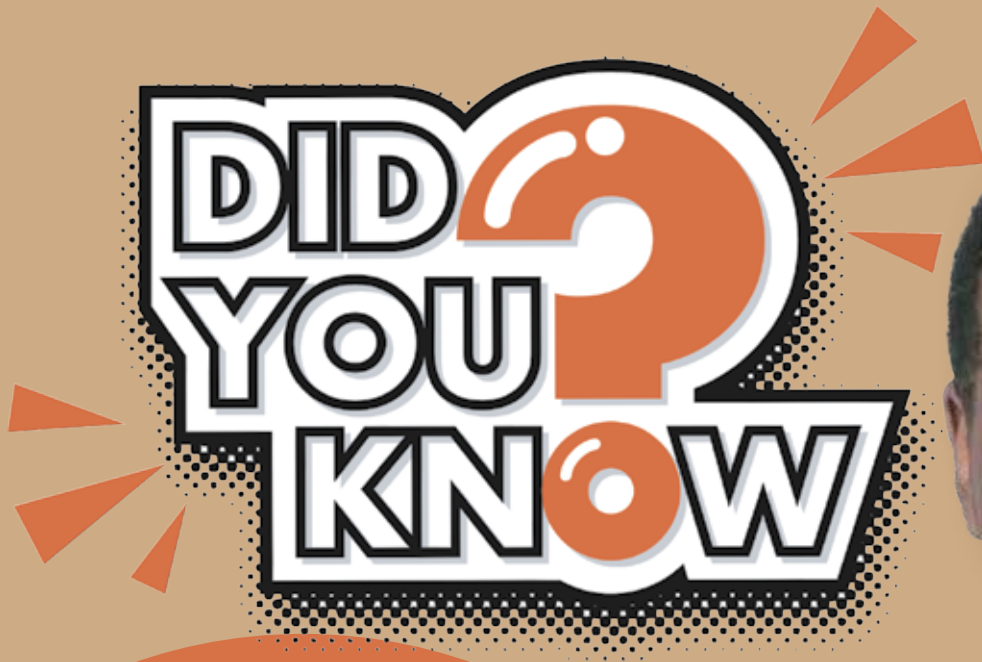
We are very excited to have launched our Metro Loyalty Rewards Program in 2022. The program is a first of its kind in the Namibian market offering customers instant discount, cashback, bank your change and automated competition entries. We aim to leverage the customer insights gained through the tool to offer customers targeted communications and promotions to influence their shopping behaviour. Our stores provide a range of additional customer service offerings, such as Banking Kiosks, in store ATMS and Self Service Vending Machines

In 2023, we were excited to introduce our latest offering in Windhoek; Metro Home and Metro Fresh. Metro Home brings you an extensive selection of home essentials, from kitchenware, home decor to bedding and bath accessories. Meanwhile, Metro Fresh invites you to explore our vibrant fresh produce section, showcasing a diverse array of fruits and vegetables, alongside a Deli where you can indulge in a wide range of our delights. This unique offering has been well received by the market.

During the year, this division launched a retail supermarket, ("Metro SUPER market") providing a one-stop shopping experience with full-service departments. The store offers a wide range of general groceries while also featuring specialized products such as organic foods, imported goods, and niche brands.

Our dedicated efforts to establish a unique hybrid atmosphere have resulted in an enhanced customer experience, making both retail and wholesale customers feel at ease, and showcasing improved branding throughout our stores.

Metro is focussed on developing the workforce for tomorrow. We have a number of training programs available empowering the youth of Namibia and developing our staff through continuous coaching and mentorship opportunities. Our primary focus revolves around enhancing customer service and investing in staff development.



**YOU EARN
DOUBLE
REWARDS
ON PUBLIC
HOLIDAYS!**

**SAVE, EARN
& SPEND!**





During the year, this division launched a retail supermarket, ("Metro SUPER market") providing a one-stop shopping experience with full-service departments. **The store offers a wide range of general groceries while also featuring specialized products such as organic foods, imported goods, and niche brands.**



Sefalana Trading Lesotho

T/A Sefalana Cash & Carry Lesotho



On 1 November 2016, Sefalana entered the Lesotho market through a takeover of the country's largest distribution and logistics company, TFS Wholesalers, Distribution and Logistics in Maseru. **The acquisition provided us with the opportunity to achieve a strong presence in the market in a short space of time, making Sefalana a market leader in the country.**

In order to meet the growing market demand, an additional warehouse was secured in 2017 and in 2018 we opened our doors to the largest liquor wholesale in the country. **This year marks 9 years of operations in Lesotho. We have a staff compliment of just over 220 employees.**



Through understanding the needs of the local population and developing the Sefalana brand name in Lesotho, we gained the trust of small retailers, business owners and suppliers. **This allowed us to further expand operations and opened a new cash and carry store and liquor wholesale in Maputsoe in 2018.**



Our stores offer an extensive range of products and services, making us a house-hold name over the last nine years. Through continuous engagement with customers, we are able to understand local buying trends and customer spending patterns. This has allowed us to maintain our title of the largest retailer in the country.

During the year we opened a Liquor Wholesale in the South of Lesotho. We continue to renovate our stores to provide both our customers and our locations with a renewed ambiance and atmosphere.

Due to national lockdowns and border closures experienced with the pandemic between 2020 and 2022, we were able to further extend and retain our customer base as we noted that customers who previously purchased inventory from across the border in South Africa, have now begun to purchase from us. We aim to build a hybrid model in our stores attracting high value retail customers who also bulk buy. We have improved the ranges and pack sizes offered to cater for this new market extension.





We have relaunched our Banner Group program supporting the Group's vision of supporting entrepreneurship and improving the lives of the communities we serve.



We continue to launch our House brand ranges, A Star and Family Favourite to the market to offer our customers quality products at affordable prices. We look forward to developing this area of the business in conjunction with our counterparts in Botswana and Namibia.



Our store compliments consists of the following in the Maseru & Maputsoe Region:

2

Cash and Carry outlets trading as "Sefalana Cash and Carry"

3

Liquor stores "Sefalana Liquor"

Over the years, we have introduced a number of solutions to improve our offerings instore. We pride ourselves in making various platforms available to Basotho. We launched our MPesa program in 2020 and this has become a preferred payment method by many customers. In addition, we have introduced EcoCash, an alternate mobile money solution. These payment methods have enabled our customers a risk free payment option at every one of our stores. We have also established a social media platform to effectively communicate our promotions to customers and facilitate interaction with them.

We were the first business in Lesotho to offer speed points payments. These solutions enable risk free transactions attracting the high unbanked population in Lesotho. We continue to expand our offering making shopping more convenient and accessible to our customers.

We look forward to expanding our market share through the introduction of innovative solutions, inspired by the advancements made in other parts of our well diversified Group.

Foods Botswana

(Pty) Limited ("Foods Botswana")



Foods Botswana Milling was established in 1981 and operates a factory in Serowe. It was felt that the central location of Serowe, together with its growing population, abundant water supplies and power source through the Morupule Colliery located nearby were an added advantage to operating a production plant in the area.

With a workforce of only 20 employees at the time, the plant commenced production of sorghum, malt and beer powder. In 1989 together with the Government of Botswana and international NGO's, the entity embarked on a research and development project that led to the production of a nutritious supplementary weaning food known today as **Tsabana**.



Over the next few years extruders were installed to enable production of **Tsabana** and a modern, pneumatic plant was constructed. In 1993, the Government awarded Foods Botswana its first contract to supply **Tsabana** and an additional wholesome product, **Malutu**, a pre-cooked fortified maize meal, to vulnerable groups across the country.



Through its 44 years since inception, Foods Botswana has grown into a reliable producer of quality products for the Nation, and is accredited by the Botswana Bureau of Standards. **With a staff compliment of just over 140 full time employees and just over 180 temporary employees, the entity is one of Serowe's largest employers, and continues to supply the Government with Tsabana and Malutu.**



Milling Division

In 2015, operational capacity was increased through the commissioning of two additional silos and a new maize plant in Serowe. This has enabled a better grain storage facility, improved the quality and value of our products and allowed for increased production.

In addition to the above, Foods Botswana produces a range of housebrand products for Sefalana Cash & Carry and other leading FMCG companies. These products include mabele, samp, sorghum and maize meal under the A Star and Econo brands. The Milling division also offers a range of legumes to the market which includes cow peas, samp and beans and black eyed beans. This diversification and product extension has helped grow this business unit.

The division also produces poultry feeds by the name 'Koko Feed' and is proved to be popular with both domestic and commercial farmers.

The Company continues to support its local community through social contributions and supporting farmers through the purchase of Sorghum. Foods Botswana encourages local farmers to increase production enabling them to be the Mill's first choice in sorghum selection rather than sourcing grain from outside the country. We strive to create a mutually beneficial relationship that empowers farmers, strengthens local economies and to provide them with a reliable market for their sorghum crops.

Effective and strategic grain procurement policies, together with ample working capital allows the Company to reduce the risk of constantly shifting commodity prices thereby sourcing grain at a reasonable cost. This has allowed us to reasonably price our products, making them affordable for our customers.

Foods Botswana

(Pty) Limited ("Foods Botswana")



Our **Beverages division** has just completed ten years of operation after being purchased from the liquidated Delta Dairies business in 2015. The division operates from its milk processing plant in Broadhurst Industrial and produces long life, UHT milk under the brand names of Delta Fresh and A Star.

This division started off with 54 employees which were retrenched by Delta Diaries. We are pleased to have reemployed these people who would have otherwise lost their jobs. Since then and despite the COVID-19 pandemic, we are pleased to have increased the total number of employees to just over 130 full time employees and 80 temporary employees.



In late 2016, the division commenced production of milk for the Government milk feeding scheme. In addition to the Government feeding scheme, we supply a number of commercial chains in Botswana. **We are focused on growing our instore presence making our products more accessible and attractive to customers. We also manufacture house brands for leading commercial chains and look forward to expanding this offering to other chains.**



Beverages Division

We continue to focus of strategic procurement of milk, building relationships with South African and Batswana dairy farmers to mitigate shortages in supply of raw milk. We have partnered with local farmers to ensure consistent supply of milk and look forward to providing capital and infrastructure support to increase their outputs.

In 2022, the business purchased a water and juice bottling plant. Our product offerings include a variety of flavoured , sparkling and still water under the Clear Water brand, which is available in all Sefalana Stores and other retail outlets.

We diversified our product portfolio by introducing the exclusive Interpack range of juices and Woodlands dairy products through import and distribution, which has been well received in the market.

As demand for our products increased, we brought our A-Star water production in-house and procured an additional water plant during the period. This was commissioned in early 2025 and will more than double our production capacity. We look to becoming the leading water brand in Botswana in due course.



Seasons Group - Australia



In May 2020, we were elated to welcome our very first offshore FMCG business to the Sefalana family. This was after a careful evaluation period of over 18 months and based on a need to diversify our income stream and foreign exchange exposure.

The Seasons Group emerged with a single standalone store in Brisbane, Queensland Australia in 2019 which quickly developed into a chain of four stores across the Brisbane area. This was achieved through understanding the local market and providing a largely bespoke offering to the community. **The Seasons IGA provides a premium shopping experience with a full-line supermarket serving as one stop shop for consumers.**



Through developing a loyal and regular customer base, looking for opportunities for investment and the desire for expansion, a further three stores were purchased in the Brisbane area bringing the total store compliment to seven stores within a year of operation. We currently have a total of 9 stores in the Queensland area. Sefalana's investment in the Australian business is at a 30% shareholding and has been recorded as an associate entity.



Level 55

(Pty) Limited ("Level 55")



Level 55 (Pty) Limited is a company incorporated under the laws of the Republic of Botswana, registered in June 2023. As a subsidiary of Sefalana Holding Company Limited, Sefalana holds a majority stake of 65%, with a minority shareholding of 35% being held by a technical partner from South Africa with over 25 years of expertise in joinery manufacturing and turnkey shopfitting solutions.



Level 55 procures and supplies shop fittings and equipment for commercial premises, tailored to meet customer specifications.

This business operates from Broadhurst Industrial and started with just 9 employees and now employs just under 40 staff members. **The staff complement is expected to grow in line with the business overall growth.**



Level 55 is committed to providing seamless, high-quality solutions for every project. This business focuses on installing fixtures and fittings, including shelving, racking, and refrigeration. **It also handles joinery work and creates specialized units, such as for delis, bakeries, and butcheries.**



Level 55 has completed several projects to date, including multiple new Sefalana stores. The shopfitting designs were custom-created and manufactured to meet the specific needs of Sefalana Cash and Carry stores, enhancing the aesthetic appeal of the stores, elevating the shopping experience, and setting new market standards.

As Level 55 grows and increases its manufacturing capabilities, the company plans to expand its reach to neighbouring markets, specifically Namibia and Lesotho. Leveraging the Sefalana Group's established presence in these countries, Level 55 aims to capitalize on existing networks to facilitate market entry and export fittings and installation services.

Commercial Motors

(Pty) Limited ("CML")



Commercial Motors, is the official franchised local representative for MAN (heavy commercial vehicles), HONDA (passenger vehicles and motorcycles), TATA (light and heavy commercial vehicles, POWERSTAR (heavy commercial vehicles), Eicher (trucks and buses), FOTON (heavy commercial vehicles), and BAIC (passenger vehicles) in Botswana.

Commercial Motors remains a relatively small but important and integral component of the Sefalana Group.

Commercial Motors started off with a small number of staff in 1998 with the objective of introducing the MAN and TATA range of vehicles to the Botswana market. **Five years later in 2003, the entity took over the HONDA dealership in Botswana and became the official dealership of all three brands in the country, offering vehicle sales, parts and service.**

Our dealership relocated to a site adjacent to the Sefalana Head Office on Kubu Road in Broadhurst Industrial, Gaborone in August 2021. The objective was to improve visibility, accessibility and to enhance brand awareness of our brands. **The new modern show rooms offer a state-of-the-art customer experience. We now have a bigger workshop improving our service capacity and overall turnaround times.**



We continue to provide a service network point in Francistown making servicing of vehicles and trucks more accessible to our valued customers in the Northern areas of Botswana.

Commercial Motors historically placed its focus on supplying vehicles to Government through tenders placed in the market. This strategy worked well for the entity and has seen the business grow from just five staff members in 1998 to its current count of just under 80 full time employees.



In the last few years, the entity shifted its focus from relying on tenders and steered towards growing private and fleet sales as we noted a reduction in Government spending in this sector. **Through the use of latest technology, support from a well experienced management team and dealership principals in South Africa, Commercial Motors has succeeded to international service standards and extended its customer base.**



MAN (heavy commercial motor vehicles)

MAN is one of the world's leading international suppliers of vehicles and transport solutions with a wide range of trucks, special - purpose vehicles and buses of impeccable quality. As Germany's oldest listed Company, MAN possesses a history of producing innovative vehicles that have proved to be favoured over a number of its competitors. Focused on key technology, the company offers a variety of pioneering commercial vehicles, diesel and gas engines as well as passenger and freight transportation services.

MAN strives to make its transportation models safer, more efficient and environmentally friendly through focusing on three core initiatives; automated driving, connectivity and climate-friendly drives.



We offer a range of passenger vehicles, including the latest Honda Fit, the refreshed Honda CR-V, and the all-new Honda Elevate, which boasts a stylish, premium design that not only looks great but also elevates your driving experience.

Honda also offers a range of motorcycles, from commuter models to dynamic sports bikes, providing convenience and enjoyment for riders globally.

Tata (light and heavy commercial motor vehicles)

Tata Motors Limited is India's largest automobile company, and is the market leader in commercial vehicles and amongst the top three in passenger vehicles in India. The 180bn \$ TATA Group was founded in 1868 and operates in more than 150 countries worldwide and has a consumer base of over 900 million. All TATA vehicles sold by CML are assembled in South Africa and come with a five year warranty.

Our Tata range of trucks predominantly specialises in construction & distribution vehicles. Our Tata buses offer three models with seating capacity for 28,38 and 64 passengers. Our Daewoo range with 440HP & 500HP 6x4 Truck Tractors which operates under the TATA dealership adds to the wide range of choice available for the customers. These trucks have set the benchmark in lifecycle costs, design and technology, offering comfort, reliability and safety at an affordable price giving you the best value for your money.

Honda (passenger vehicles & motorcycles)

Honda commenced manufacturing motor vehicles in 1964 and has become a key player in the market through using its motto 'The Power of Dreams' to excel at producing modern, safe, fuel-efficient and award winning vehicles.

For nearly four decades Honda has challenged to exceed universal automobile requirements and became the first automaker to meet the Clean Air Acts standard in the 1970's. Honda exhibits a full range of cars, from its best-selling Civic and HR-V global models to country specific models such as the Ridgeline pick-up truck for North America and the N-BOX mini for the Japanese market. Honda engines are renowned for their fuel-efficient engines using the popular i-VTEC engine.

BAIC (SUV passenger vehicles)

During the year the business took on an additional dealership – that of BAIC, a Chinese motor brand established in 1958 and has evolved into one of China's largest automotive groups. This dealership offers a wide range of BAIC SUV vehicles, known for its innovation and high-quality performance. BAIC Group combines advanced technology with outstanding design to deliver vehicles that cater to various customer needs, from everyday driving to off-road adventures.

We currently offer the B40plus and x55 plus. There has been a significant level of interest in this brand due to its competitive pricing and value offering.



Eicher, Powerstar and Foton (heavy commercial vehicles)

In 2024, the business expanded its portfolio with the introduction of new truck and bus brands namely; Eicher, Powerstar and Foton, offering durable, high-performance vehicles designed for construction, mining, logistics, and passenger transport in Botswana. The range includes heavy-duty and fuel-efficient models built for reliability and productivity.

BAIC (SUV passenger vehicles)





We continue making servicing of vehicles and trucks **more accessible** to our valued customers in Botswana.



BAIC

Commercial Motors took on an additional dealership earlier the year – that of BAIC, a Chinese motor brand established in 1958 and has evolved into one of China’s largest automotive groups. **We currently offer the B40plus and x55 plus. There has been a significant level of interest in this brand due to its competitive pricing and value offering.**



Sefalana Fresh Produce

(Pty) Limited ("SFP")



Sefalana Fresh Produce began as a wholesaler of fresh fruit and vegetables and supplied its produce to Sefalana stores throughout the country. SFP have since expanded its customer base and now supply fruit and vegetables to leading wholesalers, retailers and restaurants in the country.

We have noted a significant improvement in both the quality of fresh fruit and vegetables supplied by SFP as well as profitability of the business. SFP has prioritized delivering produce that is carefully selected, ensuring optimal ripeness, **flavour and nutritional value. This has enabled us to offer a more favourable price to our customers and be more competitive in the local fruit and veg market.**

With the focus on expanding operations and diversifying sales, the business has begun updating its product offerings to reflect seasonal availability and market demand. **This has proven to be successful in light of the import restrictions and strain on local supply.**

This division has done exceptionally well despite challenges faced with supply of fresh produce and we look forward to an even greater contribution from this business as we expand our FMCG business and fresh produce client base.



Sefalana Fresh Produce (Pty) Limited (SFP), operates from Gaborone North and employs just under 120 staff.

In 2021 we opened our doors to everyday hawkers who have become regular customers. **We are grateful to support these small businesses, empowering the lives of Batswana and promoting entrepreneurship and look forward to further developing these relationships.**



Fresh produce is purchased predominantly from local farmers in Botswana and a proportion from South African farmers where necessary. In the last few years, we have built strong relationships with local farmers, enabling the production of high quality fruit and vegetables and purchasing these local harvests. With the demand of local produce increasing, we have partnered with several farmers providing capital and infrastructure support to enable consistent supply of produce for Sefalana stores and other customers. This approach has proven to support local agriculture in Botswana and reduce the dependence on imports.

During the year, this business took over the catering division previously managed by Sefalana Cash and Carry, marking a strategic shift in our operations. The Catering Division commenced operations in 2018 and is now well into its seventh year of operations. This business is located in Gaborone West Industrial. This division is focused on the supply and delivery of frozen food and related catering equipment to the local hospitality industry, offering over 2000 new product lines. Using the divisions fleet of multi-temperature vehicles and freezer facilities, we ensure all products are delivered in a safe manner, ensuring the best quality at affordable prices.

Sefalana Catering aims to be the preferred supplier to the Hotel, Restaurant, Lodge and Catering industry in all corners of Botswana, offering a full range of frozen, chilled and ambient products and equipment.

Our large, modern freezers are also open to walk in customers and we are able to offer a fantastic range of ready-made cakes, desserts, frozen French fries, ribs, chicken and seafood, to name but a few. Our extensive ambient products are suitable for any size kitchen, from the large industrial kitchens catering for thousands of people to the passionate home kitchen, where quality, price and a large range is important to the consumer.

This division has done exceptionally well despite challenges faced with supply of fresh produce and we look forward to an even greater contribution from this business as we expand our FMCG business and fresh produce client base.

Sefalana Properties



Sefalana holds just under 800 000 square meters of land, of which 165 000 square meters is developed property. Sefalana and its subsidiaries occupy approximately 75% of the developed property with the remaining 25% let out to third party tenants.

Our local properties are spread throughout Botswana and include office blocks, workshops, factories, and warehouses. **Our undeveloped land provides the Group with a remarkable potential for future investment and capital appreciation.**



We are pleased with these developments and the traffic it has brought to the Setlhoa area. Our Setlhoa site is also home to ItalTile and CTM, offering a wide range of modern and artistic homeware solutions. **We look forward to further development of these plots, offering an illustrious shopping experience for our customers.**



Over the last few years, we have developed the majority of our 35 000 sqm property in Setlhoa Village, situated along the A1 highway. In November 2019, we opened our flagship, hybrid retail store under the name Sefalana Shopper, 'The BIG One' in Setlhoa. This store offers a significantly wider range of products and liquor in the 3000 sqm building. Adjacent to this store is our first petrol station offering Puma fuel in 6 lanes, and our very own Sefalana Quick convenience store.



We have also invested in properties outside of Botswana namely Zambia, Namibia and Lesotho which complement our operations in these areas and from which we earn a favourable rental income. Through disciplined execution, market insights, and a focus on delivering value, we continue to evaluate investment projects in the countries we have presence as we look to grow our Group property portfolio. By expanding our property portfolio, we aim to diversify our investments, increase our market presence, and generate long-term value for our stakeholders.



Turnbridge Projects

(Pty) Limited ("Turnbridge")



In April 2024, we were excited to establish our first commercial printing and signage offering "Turnbridge Projects". This division commenced operations in October 2024 and has a staff compliment of just under 10 employees.

This division specializes in commercial printing, packaging and signage, we provide a wide range of customized solutions to meet the unique needs of businesses. With a focus on precision and innovation, we use cutting-edge machinery and advanced technology to produce durable, attention-grabbing signage. **Our services include indoor and outdoor signage, banners, digital printing, promotional displays, and high quality printing for business materials and marketing collateral.**



We've made significant investments in state-of-the-art equipment to ensure each project meets the highest standards for quality, efficiency, and durability. Our technology enables us to deliver outstanding precision and results, making us a trusted partner for businesses looking to elevate their brand presence.

As Turnbridge Projects continues to grow, we aim to become a market leader in commercial printing and signage in Botswana. We're excited to also expand our services into Namibia and Lesotho, where we'll leverage Sefalana Group's established presence in these markets.

More details regarding this division will be shared in our upcoming annual report.



Mechanised Farming

(Pty) Limited ("Mechanised Farming")



Mechanised Farming is situated in Broadhurst Industrial and for many years was primarily focused on the sale and servicing of farming equipment. As a result of reduced Government spending on the agricultural sector and lower levels of rainfall over the last few years, we noted a drop in the performance of this entity and its overall contribution to the Group. This is a non-core segment of our Group.



A Sefalana Group Company

A strategic decision to downscale the operations of this business and eliminate retail sales to customers was therefore made in 2018. Since then, focus has been placed on the supply and delivery of parts and equipment to Botswana Railways (BR) as our primary customer to contribute to the smooth and efficient operation of the nation's railways. We are proud to support the Government in maintaining and improving the railway infrastructure, and are committed to being a trusted supplier in the industry.

This business is no longer open to walk in trade.





ANNUAL FINANCIAL STATEMENTS



02



**Creating
value through
Diversification**

The Sefalana Group of Companies has proudly established itself as a cornerstone of growth and opportunity. Over the decades, the Group has expanded into diverse sectors, becoming a true basket of opportunities that benefits both our Shareholders and the communities we serve.



05
FINANCIAL
RESULTS

Welcome to our
**annual financial
statements**



Directors' statement of responsibility

The directors of Sefalana Holding Company Limited are responsible for the preparation and fair presentation of the consolidated annual financial statements of Sefalana Holding Company Limited and its subsidiaries ("the Group"), comprising the consolidated statement of financial position as at 27 April 2025, and the consolidated statement of comprehensive income, consolidated changes in equity and consolidated cash flows for the 52 week period then ended ("the financial year/the year"), and the notes to the financial statements, which include material accounting policy information and other explanatory notes in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board and the IFRIC® interpretations.

The directors have reviewed the Group budgets and cash flow forecasts for the 52 week period to 26 April 2026 and the period 27 April 2026 to 31 August 2026. On the basis of this review, and in the light of the current financial position and existing borrowing facilities of the Group, the directors are satisfied that the Group is a going concern and have continued to adopt the going concern basis in preparing the financial statements.

The directors are required to maintain adequate accounting records and are responsible for the content and integrity of the financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the Group as at the end of the 52 week period and the results of their operations and cash flows for the period then ended, in conformity with IFRS Accounting Standards.

The directors are responsible for the preparation and fair presentation of these consolidated financial statements in accordance with IFRS Accounting Standards and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatements, whether due to fraud or error.

The consolidated financial statements are prepared in accordance with IFRS Accounting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

The directors' responsibilities also include maintaining adequate accounting records and an effective system of risk management as well as the preparation of the supplementary schedules included in these consolidated financial statements.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the Group and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the Board sets standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Group and all employees are required to maintain the highest ethical standards in ensuring the business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Group is on identifying, assessing, managing and monitoring all known forms of risk across the Group. While operating risk cannot be fully eliminated, the directors endeavour to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints. The group's system of controls includes controls over the security of the website and specifically establishing and controlling the process for electronically distributing annual financial statements and other financial information to shareholders.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The external auditors are responsible for independently reviewing and reporting on the consolidated financial statements. The financial statements have been examined by the external auditors and their report is presented on pages 206 to 211.

Directors' approval of the financial statements

Against this background, the Board of directors accepts responsibility for the consolidated financial statements on pages 212 to 277 which were approved on 24 July 2025 and signed on its behalf by:

JM Marinelli
Chair

CD Chauhan
Group Managing Director



Independent auditor's report

To the Shareholders of Sefalana Holding Company Limited

Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of Sefalana Holding Company Limited (the "Company") and its subsidiaries (together the "Group") as at 27 April 2025, and of its consolidated financial performance and its consolidated cash flows for the 52 week period then ended in accordance with IFRS Accounting Standards.

What we have audited

Sefalana Holding Company Limited's consolidated financial statements set out on pages 212 to 277 comprise:

- the consolidated statement of financial position as at 27 April 2025;
- the consolidated statement of comprehensive income for the 52 week period then ended;
- the consolidated statement of changes in equity for the 52 week period then ended;
- the consolidated statement of cash flows for the 52 week period then ended; and
- the notes to the financial statements, including material accounting policy information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code) issued by the International Ethics Standards Board for Accountants and other independence requirements applicable to performing audits of financial statements in Botswana. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and other ethical requirements applicable to performing audits of financial statements in Botswana.

Our audit approach

Overview

	Overall group materiality Overall group materiality: BWP 27,505,000, which represents 5% of consolidated profit before tax.
	Group audit scope The Group comprises the Company, fifteen subsidiaries across Botswana, Namibia, Zambia, Lesotho, and Mauritius, and an associate in Australia, each considered to be components of the Group. We assessed eight components as significant due to size and conducted fullscope audits on them as well as on the Company. Additionally, on five components that were determined as being non-significant, an audit of one or more financial statement line items was performed to obtain a sufficient level of coverage over the consolidated financial statements. The remaining components were determined as being inconsequential.
	Key Audit Matters - Fair value of preference shares - Allowance for slow moving and obsolete retail inventory

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we considered where the directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Overall group materiality	BWP 27,505,000
How we determined it	5% of consolidated profit before tax
Rationale for the materiality benchmark applied	<i>We chose consolidated profit before tax as the benchmark because, in our view, it is the benchmark against which the performance of the Group is most commonly measured by users, and is a generally accepted benchmark. We chose 5% which is consistent with quantitative materiality thresholds used for profit-oriented companies in this sector.</i>

How we tailored our group audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

The Group comprises the Company and fifteen subsidiaries operating in Botswana, Namibia, Zambia, Lesotho, and Mauritius, as well as an associate operating in Australia, each considered to be components of the Group. To ensure a comprehensive audit approach, we conducted full-scope audits for the Company and eight subsidiaries that were assessed as significant due to their size relative to the Group. For five additional subsidiaries that were determined as being non-significant, an audit of one or more financial statement line items was performed to obtain a sufficient level coverage over the consolidated financial statements. The remaining components were determined as being inconsequential.

In determining our overall group audit strategy, we assessed the nature, timing, and extent of audit work required at each component that is in scope. This work was either performed by us, as the group audit team, or by other PwC network firms and non-PwC firms, operating under our instructions. Audits of six components, including that of the Associate, were performed by non-PwC firms. For work performed by component auditors, we set guidelines for the level of involvement needed by the group engagement team to ensure the sufficiency and appropriateness of audit evidence to support our opinion on the Group's consolidated financial statements.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	How our audit addressed the key audit matters
<i>Fair value of preference shares</i> Refer to the following disclosures in the consolidated financial statements: - Note 4.2.4 - Key areas of estimation uncertainty – Fair value of investment in preference shares; and - Note 19 – Investment in preference shares At 27 April 2025, the Group recognised an investment in preference shares of BWP303,496,000 (2024: BWP Nil). The investment in preference shares attracts a fixed annual return of 15% on the amount invested and is for a 1-year period. At maturity, the Group holds the option to convert the preference shares into ordinary shares representing 30% of the equity of the investee, redeem the preference shares at face value, or to extend the term of the investment in the preference shares for a further 12 months. The investment is assessed to be a financial instrument at fair value through profit or loss.	We obtained management's discounted cashflow model and performed the following: - We evaluated the reasonableness of the following assumptions and inputs as used in the forecasted cash flow model against historical performance of the company and available market data: - EBITDA; - Forecasted revenue growth; - profitability forecasts; - net working capital investment; and - capital expenditure. - And did not identify any material exceptions. - We tested the mathematical accuracy of the free cash flow forecast and noted no exceptions. Using our valuations expertise, we: - Assessed the appropriateness of the valuation methodology applied by Management in the determination of the fair value of the investment by comparing it

Key audit matters	How our audit addressed the key audit matters
The fair value of the preference share investment was determined by the Group in accordance with IFRS 9 - Financial Instruments, Fair value measurements, using the Discounted Cash Flow Method and is based on the business plans and forecasted cash flows of the investee. This was then corroborated using industry average price to earnings (P/E) ratios. Significant judgement is required by management in determining the fair value of the investment as disclosed in note 19. Significant assumptions and judgements are applied in the following areas: • Earnings before interest, tax, depreciation and amortisation (EBITDA); • Expected rate of return; • Interest rates; • Inflation rates; and • Benchmark market information We considered the fair value of the preference share investment to be a matter of most significance to the current year audit due to the significant judgements and assumptions applied in determining the fair value of the investment in preference shares, which includes the conversion option.	with methodology applied by industry under similar circumstances. We noted no exceptions; • Assessed the reasonability of the expected rate of return and the inflation rate against a reasonable range based on available market information. We found the expected rate of return to be within a reasonable range; • Performed a reasonableness test using management's forecasted free cash flows as adjusted for market related corrections and assumptions; and Using the above, we calculated an independent expectation of a reasonable range of appropriate fair values for the investment. The fair value calculated by management was within this range.
Allowance for slow moving and obsolete retail inventory included in inventory provisions Refer to the following disclosures in the consolidated financial statements: • Note 4.2.3 - Key areas of estimation uncertainty – Allowance for slow moving and obsolete inventories; and • Note 23– Inventories. At 27 April 2025, the Group recognised an inventory provision of BWP 157,706,000 (2024: BWP 143,492,000) which includes the provision for the allowance for slow-moving and obsolete retail inventory of BWP 64,500,000 (2024: BWP 58,500,000). Significant judgement is required by management in determining the allowance for slow moving and obsolete retail inventory as disclosed in note 23. Significant assumptions and judgements are applied in the following areas: • Determining the ageing of the inventory held at the year-end date based on historical sales quantities	We obtained management's calculation of the allowance for slow moving and obsolete retail inventory and performed the following. We: • Assessed the reasonability of the sales discounts applied against slow moving inventory and the loss rates applied with respect to obsolete inventory in calculating the allowance for slow moving and obsolete provision against available historical evidence and trends and determined that the assumptions were reasonable; • Using data analytics, we recalculated the ageing of inventory items as at year-end and noted not material exceptions.; • Independently recalculated the allowance using the judgements and estimates applied by management from the source data obtained. We noted no material exceptions; and

Key audit matters	How our audit addressed the key audit matters
• <i>Estimating the likely sales discounts (below original cost) which the company may have to offer in order to sell slow-moving items; and</i> • <i>Estimating the extent of losses which the company may incur when writing off obsolete items.</i> <i>We considered the value of the allowance for slow moving and obsolete retail inventory to be a matter of most significance to the current year audit due to the significant judgements and assumptions applied in determining the provision required.</i>	• <i>We assessed the overall reasonableness of the assumptions used to determine the allowance by comparing the prior year's allowance to actual stock adjustments processed during the year. The assumptions were found to be reasonable.</i>

Other information

The directors are responsible for the other information. The other information comprises the information included in the documents titled "Sefalana Holding Company Limited Consolidated Annual Financial Statements for the 52 week period ended 27 April 2025" and "Sefalana Holding Company Limited Annual Financial Statements for the 52 week period ended 27 April 2025", which we obtained prior to the date of this auditor's report, and the other sections of document titled "Sefalana Integrated Annual Report 2025", which is expected to be made available to us after that date. The other information does not include the consolidated or the separate financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the consolidated financial statements

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

PricewaterhouseCoopers

PricewaterhouseCoopers
Firm of Certified Auditors
Practicing Member: Sheyan Edirisinghe (CAP 004 2025)

31 July 2025
Gaborone

Consolidated Statement of Comprehensive Income

For the 52 week period ended

	Note	52 weeks period ended 27 April 2025	52 weeks period ended 28 April 2024
		P'000	P'000
REVENUE	5	11 173 673	9 720 308
Cost of sales		(10 381 294)	(9 027 157)
Gross profit		792 379	693 151
Other income and gains	8	155 888	86 446
Administrative expenses		(394 171)	(319 956)
Earnings before interest, tax and amortisation (EBITA)		554 096	459 641
Amortisation of intangible assets	17	(6 631)	(7 165)
Investment income	7	47 430	32 422
Finance costs	9	(38 046)	(23 919)
Profit before share of results of associates		556 849	460 979
Share of loss of associates	18	(6 716)	(18 041)
Profit before tax	11	550 133	442 938
Income tax expense	10	(124 107)	(107 419)
PROFIT FOR THE YEAR		426 026	335 519
Other comprehensive income:			
Items that will not be reclassified to profit or loss			
Net gain on revaluation of land and buildings		19 972	23 849
Gross gain on revaluation of land and buildings		25 389	30 873
Income tax on gain on revaluation of land and buildings		(5 417)	(7 024)
Items that may be subsequently reclassified to profit or loss			
Currency translation differences	28	(3 207)	(1 208)
Reclassification of foreign currency translation to profit or loss	28		(1 981)
Other comprehensive income for the year (net of tax)		16 765	20 660
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		442 791	356 179
PROFIT FOR THE YEAR ATTRIBUTABLE TO:			
Owners of the parent		423 798	334 463
Non - controlling interests		2 228	1 056
TOTAL PROFIT FOR THE YEAR		426 026	335 519
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:			
Owners of the parent		440 563	355 123
Non - controlling interests		2 228	1 056
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		442 791	356 179
Earnings per share attributable to the equity holders of the Company during the year:			
BASIC AND DILUTED EARNINGS PER SHARE (THEBE)	13	169	133

Consolidated Statement of Financial Position

As at

	Note	27 April 2025	28 April 2024
		P'000	P'000
ASSETS			
NON - CURRENT ASSETS			
Property, plant and equipment	14	1 261 596	1 080 678
Right of use assets	15	238 962	175 409
Investment property	16	207 121	228 765
Intangible assets	17	102 951	105 959
Investment in associates	18	39 171	36 262
Loan to associate	18	55 239	64 654
Investment in preference shares	19	303 496	
Deferred lease assets	20	3 863	4 931
Deferred tax assets	21	35 454	29 680
Trade and other receivables	24	4 111	4 820
Total non - current assets		2 251 964	1 731 158
CURRENT ASSETS			
Inventories	23	1 487 463	1 280 209
Trade and other receivables	24	404 274	312 465
Short term investments	43	76 287	188 869
Current tax assets	10	5 296	8 275
Cash and cash equivalents	25	528 211	533 899
Total current assets		2 501 531	2 323 717
Asset classified as held for sale	26		6 000
TOTAL ASSETS		4 753 495	4 060 875
EQUITY AND LIABILITIES			
EQUITY			
Stated capital	27	686 354	686 354
Other reserves	28	289 458	272 693
Retained earnings		1 822 074	1 561 247
Equity attributable to owners of the parent		2 797 886	2 520 294
Non-controlling interest	22	26 636	24 408
Total equity		2 824 522	2 544 702
NON - CURRENT LIABILITIES			
Lease liabilities	15	179 667	130 839
Loans and borrowings	29	310 000	82 012
Deferred tax liabilities	21	131 654	127 763
Total non - current liabilities		621 321	340 614
CURRENT LIABILITIES			
Trade and other payables	30	972 619	933 603
Lease liabilities	15	80 232	66 664
Loans and borrowings	29	23 458	21 931
Contract liabilities	34	12 199	16 544
Current tax liabilities	10	33 986	5 156
Bank overdrafts	29	66 925	38 176
Accruals	35	118 233	93 485
Total current liabilities		1 307 652	1 175 559
Total liabilities		1 928 973	1 516 173
TOTAL EQUITY AND LIABILITIES		4 753 495	4 060 875

Consolidated Statement of Changes in Equity

For the 52 week period ended 27 April 2025

	Attributable to owners of the parent				Non - controlling interests	Total equity
	Stated capital	Other reserves	Retained earnings	Total		
	P'000	P'000	P'000	P'000	P'000	P'000
At 30 April 2023	686 354	252 033	1 382 233	2 320 620	20 189	2 340 809
Profit for the year			334 463	334 463	1 056	335 519
Other comprehensive income for the year:						
Gain on revaluation of land and buildings (net of tax)		23 849		23 849		23 849
Currency translation differences		(1 208)		(1 208)		(1 208)
Reclassification of foreign currency translation to profit or loss		(1 981)		(1 981)		(1 981)
Transactions with owners in their capacity as owners						
Dividends paid - 2024 interim and 2023 final			(155 449)	(155 449)		(155 449)
Increase in investment by minority					3 163	3 163
At 28 April 2024	686 354	272 693	1 561 247	2 520 294	24 408	2 544 702
At 29 April 2024	686 354	272 693	1 561 247	2 520 294	24 408	2 544 702
Profit for the year			423 798	423 798	2 228	426 026
Other comprehensive income for the year:						
Gain on revaluation of land and buildings (net of tax)		19 972		19 972		19 972
Currency translation differences		(3 207)		(3 207)		(3 207)
Transactions with owners in their capacity as owners						
Dividends paid - 2025 interim and 2024 final			(162 971)	(162 971)		(162 971)
At 27 April 2025	686 354	289 458	1 822 074	2 797 886	26 636	2 824 522

Other reserves consist of land and buildings revaluation reserve, currency translation reserve, and other gains on purchase of minority interests as set out in note 28.

Consolidated Statement of Cash Flows

For the 52 week period ended 27 April 2025

	Note	2025	2024
		P'000	P'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the year		426 026	335 519
Income tax expense	10	124 107	107 419
Finance cost	9	38 046	23 919
Investment income	7	(47 430)	(32 422)
Net exchange differences		(5 196)	(4 373)
Fair value gain on investment property	8	(645)	(12 338)
Fair value gain on asset held for sale	26		(1 259)
Share of loss from associates	18	6 716	18 041
Impairment of property, plant and equipment	14	765	
Gain / (loss) on disposal of property, plant and equipment	8	327	(426)
Gain on partial disposal of investment in associate	8		(13 597)
Gain on redemption of loan to associate	8		(958)
Gain in preference share revaluation	8	(102 384)	
Amortisation of intangible assets	17	6 631	7 165
Depreciation on right of use assets	15	81 777	71 424
Depreciation of property, plant and equipment	14	108 205	94 036
Cash generated by operating activities before working capital changes		636 945	592 150
Movements in working capital:			
Trade and other receivables		(71 311)	(8 451)
Inventories		(207 254)	(169 223)
Accruals, contract liabilities, trade and other payables		59 419	308 640
Cash generated by operations		417 799	723 116
Finance costs paid	9	(36 517)	(23 919)
Income taxes paid		(99 846)	(111 278)
Net cash generated by operating activities		281 436	587 919
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and other dividends received	7	27 641	28 194
Purchase of property, plant and equipment	14	(246 785)	(204 302)
Additions to investment property	16		(1 192)
Proceeds from sale of assets held for sale	26	6 000	
Purchase of computer software rights	17	(2 977)	(2 209)
Net movement in short term investments	43	112 582	(145 550)
Proceeds from sale of property, plant and equipment		5 231	1 167
Proceeds from disposal of shares in associate	18		25 708
Proceeds from redemption of loan to associate	18		20 255
Loan to associate	18		(19 488)
Investment in preference shares	19	(201 112)	
Net cash flows utilised in investing activities		(299 420)	(297 417)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of loan and borrowings	29	(22 014)	(2 024)
Additional loan	29	250 000	
Movement in bank overdraft	29	28 749	(10 872)
Transaction with non - controlling interests			950
Repayment of lease liabilities	15	(83 038)	(73 871)
Cash dividend paid to owners of the parent	13	(162 971)	(155 449)
Net cash flows generated by / (utilised in) financing activities		10 726	(241 266)
Net (decrease) / increase in cash and cash equivalents		(7 258)	49 236
Cash and cash equivalents at beginning of year	25	533 899	482 049
Effects of exchange rate changes on cash and cash equivalents		1 570	2 614
Cash and cash equivalents at end of year		528 211	533 899
Represented by:			
Cash and cash equivalents	25	528 211	533 899
		528 211	533 899

Notes to the financial statements

1 GENERAL INFORMATION

Sefalana Holding Company Limited is a Company incorporated in the Republic of Botswana and listed on the Botswana Stock Exchange. The addresses of its registered office and principal places of business are disclosed in the introduction to the annual report. The consolidated financial statements include the financial results and financial position of Sefalana Holding Company Limited and its subsidiaries. The consolidated Group financial statements for the 52 weeks ended 27 April 2025 were authorised for issue by the Board of Directors on 24 July 2025.

The Group's largest segments are those of Fast Moving Consumer Goods (FMCG). In line with common practice across the world, the FMCG businesses have historically followed a Retail Calendar with a financial period of 52 weeks or 364 days. This is in contrast to a calendar year of 365 days. On the basis that this has resulted in a one day difference each year which is caught up every 6 years with a 53rd week, the Group has emphasised its disclosure of this fact in these financial statements.

For all other subsidiaries of the Group, the results are for the calendar year ended 30 April 2025 (prior year calendar year ended 30 April 2024). Where there are material transactions between the two reporting dates, appropriate adjustments are made in the consolidated financial statements.

2 BASIS OF PREPARATION

(i) Compliance with IFRS® Accounting Standards

The Group financial statements have been prepared in accordance with IFRS® Accounting Standards, as issued by the International Accounting Standards Board ("IASB"), and interpretations issued by the IFRS Interpretations Committee ("IFRIC") applicable to companies reporting under IFRS. The financial statements comply with IFRS Accounting Standards as issued by the IASB.

(ii) Historical cost convention

The consolidated financial statements are prepared under the historical cost convention except for land and buildings, investment property and preference shares which are carried at fair value.

(iii) New and amended standards adopted by the Group

The Group has applied the following standards and amendments for the first time for the annual reporting period commencing 1 May 2024:

- ④ Amendments to IAS 1 – Presentation of Financial Statement and IFRS – Classification of Liabilities as Current or Non-current
- ④ Amendments to IFRS 16 Leases – Lease Liability in a Sale and Leaseback
- ④ Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instrument Disclosures

These new standards and amendments have not resulted in any material changes to the Group's accounting policies and have had a minimal impact on the current period, any prior period and are not likely to affect future periods. The details on new standards and interpretations are explained below;

Amendments to IAS 1 – Presentation of Financial Statements- Classification of Liabilities as Current or Non-current, effective for annual periods beginning on or after 1 January 2024

The amendments to IAS 1 published in January 2020 clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period. The amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities that are subject to these conditions.

The amendment to the standard has not had a material effect on the financial statements of the Group.

Amendments to IFRS 16 – Leases – Lease Liability in a Sale and Leaseback, effective for annual periods beginning on or after 1 January 2024

The amendments to IFRS 16 published in September 2022 impact how a seller-lessee accounts for variable lease payments in a sale-and-lease back transaction. The amendment adds subsequent measurement requirements for sale and leaseback transactions. These amendments do not change the accounting for leases other than those arising in a sale and leaseback transaction.

The amendment to the standard has not had a material effect on the financial statements of the Group.

Amendments to IAS 7 – Statement of Cashflows and IFRS 7 – Financial Instrument Disclosures, effective for annual periods beginning on or after 1 January 2024

The amendments to IAS 7 and IFRS 7 published in May 2023 introduced additional disclosure requirements for the Group to provide information about its supplier finance arrangements that would enable users to assess the effects of these arrangements on the Group's exposure to liquidity risks. However, the amendments do not apply to arrangements for financing receivables or inventory.

The amendment to the standard has not had a material effect on the financial statements of the Group.

(iv) New standards and interpretations not yet adopted

New standards, amendments to standards and interpretations that are applicable to the Group with an effective date after the date of these financial statements, have not been applied in preparing these consolidated financial statements. These include:

Notes to the financial statements

For the 52 week period ended 27 April 2025 (continued)

Amendments to IAS 21 – Lack of Exchangeability, effective for annual periods beginning on or after 1 January 2025

The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not.

The amendment to the standard is not expected to have a material effect on the financial statements of the Group.

IFRS 10 – Consolidated Financial Statements and IAS 28 (amendments) – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture, effective date deferred indefinitely by the IASB

The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture.

Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

The effective date of the amendments has yet to be set by the IASB; however, earlier application of the amendments is permitted. It is not anticipated that the application of the amendments in the future will have a material effect on the financial statements of the Group.

IFRS 18 – Presentation and Disclosures in Financial Statements, effective for annual periods beginning on or after 1 January 2027

IFRS 18 prescribes new standard requirements for presentation of information in the financial statements.

The amendment is not expected to have a material impact on the financial statements of the Group but may amend the manner of presentation and disclosure of the financial statements.

IFRS 19 – Subsidiaries Without Public Accountability, effective for annual periods beginning on or after 1 January 2027

IFRS 19 is a voluntary standard that specifies the disclosure requirements an eligible subsidiary is permitted to apply instead of the disclosure requirements in other IFRS Accounting Standards

The standard is not expected to have a material effect on the financial statements of the Group.

Amendment to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments Disclosures – Classification and Measurement of Financial Instruments, effective for annual periods beginning on or after 1 January 2026

The amendments clarify the requirements and timing for recognition and derecognition of certain financial assets and liabilities. The amendments also introduce new disclosure requirements for certain instruments based on their contractual terms.

The amendments are not expected to have a material impact on the financial statements of the Group but may result in additional disclosures.

3 MATERIAL ACCOUNTING POLICIES

3.1 Consolidation

(i) Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity, and has the ability to affect those returns through its power to direct the activities of the entity.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the elements of control listed above. When the Group has less than a majority of the voting rights of an investee, it considers that it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- ④ the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- ④ potential voting rights held by the Group, other vote holders or other parties;
- ④ rights arising from other contractual arrangements; and
- ④ any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, the results of subsidiaries acquired or disposed of during the year are included in profit or loss from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Notes to the financial statements

For the 52 week period ended 27 April 2025 (continued)

Profit or loss and each component of other comprehensive income are attributed to the owners of the company and to the non-controlling interests. Total comprehensive income of the subsidiaries is attributed to the owners of the Group and to the non-controlling interests. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with the Group's accounting policies.

All intra-Group assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated on consolidation.

Non-controlling interests in subsidiaries are identified separately from the company's equity therein. Those interests of non-controlling shareholders that are present ownership interests entitling their holders to a proportionate share of net assets upon liquidation may initially be measured at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement is made on an acquisition-by-acquisition basis. Other non-controlling interests are initially measured at fair value. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

When the Group loses control of a subsidiary, the gain or loss on disposal recognised in profit or loss is calculated as the difference between:

- ⌚ the aggregate of the fair value of the consideration received and the fair value of any retained interest; and
- ⌚ the previous carrying amount of the assets (including goodwill), less liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as required by IFRS Accounting Standards). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 Financial Instruments when applicable, or the cost on initial recognition of an investment in an associate or a joint venture.

(ii) Associates

Associates are all entities over which the Group or its subsidiaries have significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost. The Group's shareholding in associates is as disclosed in note 18.

(iv) Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the company's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group. The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in note 3.7.

(vi) Investment in subsidiaries

The Group accounts for its investment in subsidiaries at cost, which includes transaction costs, less provision for impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

Investments in subsidiaries are assessed for impairment when indicators of impairment are identified. Such impairment indicators include, but are not limited to, for example:

- ⌚ Sustained deterioration in financial results of operations and / or financial position of the subsidiary;
- ⌚ Changes in the operating environment of a subsidiary, including regulatory and economic changes, market entry by new competitors, etc.; and
- ⌚ Inability of a subsidiary to obtain finance required to sustain or expand operations.

Where impairment indicators are identified, the recoverable value of the subsidiary is measured at the lower of realisable value through sale less costs to sell, and value in use. Value in use is the present value of future cash flows expected to be derived from the subsidiary.

Once an impairment loss has been recognised, the Group assesses at each year-end date whether there is an indication that the impairment loss previously

Notes to the financial statements

For the 52 week period ended 27 April 2025 (continued)

recognised no longer exists or has decreased. If this is the case, the recoverable value of the subsidiary is remeasured and the impairment loss reversed or partially reversed as may be the case.

Where the recoverable value of a subsidiary is below the carrying amount, the carrying amount is reduced to the recoverable value through an impairment loss charged to the statement of comprehensive income.

3.2 Foreign currency translation

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Botswana Pula, which is the Group's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income. Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the statement of comprehensive income within 'finance income or cost'. All other foreign exchange gains and losses are presented in the statement of comprehensive income within 'net foreign exchange gains'.

Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- ④ Assets and liabilities for each statement of financial position presented are translated at the closing rate at the reporting date;
- ④ Income and expenses for each statement of comprehensive income are translated at average exchange rates, unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions; and
- ④ All resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations, and of borrowings and other currency instruments

designated as hedges of such investments, are taken to shareholders' equity. When a foreign operation is sold, exchange differences that were recorded in equity are recognised in the statement of comprehensive income as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income.

3.3 Property, plant and equipment

Land and buildings comprise mainly wholesale and retail outlets, offices and residential buildings. Land and buildings are shown at fair value, based on periodic valuations by external independent valuers, less subsequent depreciation for buildings. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset. All other property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Buildings capitalised under leases comprise retail outlets which were designed and developed specifically for the Group's use and are leased by the Group under long-term lease agreements. These buildings are accounted for at cost (being the present value of the minimum committed lease payments at inception of the respective lease contracts) less accumulated depreciation and accumulated impairment adjustments.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be reliably measured. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Increases in the carrying amount arising on revaluation of land and buildings are credited to other reserves in shareholders' equity. Decreases that offset previous increases of the same asset are charged against other reserves directly in equity; all other decreases are charged to the statement of comprehensive income.

Properties in the course of construction for production or supply of goods or services, or for administrative purposes, or for purposes not yet determined, are carried at cost less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in terms of the Group's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate

Notes to the financial statements

For the 52 week period ended 27 April 2025 (continued)

their cost or revalued amounts to their residual values over their estimated useful lives, as follows:

➊	Freehold buildings:	50 years
➋	Leasehold buildings:	remaining period of lease
➌	Buildings capitalised under leases:	15 years, being initial lease period
➍	Plant, fixtures and equipment:	4 to 20 years
➎	Motor vehicles:	4 to 6 years
➏	Fixtures and equipment:	4 to 10 years
➐	Right of use assets:	5 – 10 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date, with the effect of any changes in estimate accounted for on a prospective basis.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Increases in the carrying amount arising on revaluation of land and buildings are credited to other comprehensive income and shown as other reserves in shareholders' equity. Decreases that offset previous increases in the carrying amount arising on revaluation of land and buildings are charged to other comprehensive income and debited against other reserves directly in equity. When revalued assets are sold, the amounts included in other reserves are transferred to retained earnings.

Right-of-use assets are depreciated over the shorter period of the lease term and the useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset.

3.4 Investment property

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group, is classified as investment property.

Investment property is measured initially at its cost, including related transaction costs and borrowing costs. Borrowing costs incurred for the purpose of acquiring, constructing or producing a qualifying investment property are capitalised as part of its cost. Borrowing costs are capitalised while acquisition or construction is actively underway and cease once the asset is substantially complete, or suspended if the development of the asset is suspended.

After initial recognition, investment property is carried at fair value. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, the Group uses alternative valuation methods, such as recent prices on less active

markets or discounted cash flow projections. Valuations are performed as of the financial position date on an appropriate valuation basis, which may include internal valuation models, valuations by independent professional valuers and comparison to recent market transactions and values. Where valuations from these sources indicate a range of reasonable fair values estimates, considered judgement is applied to determine the most reliable estimate of fair value. These valuations form the basis for the carrying amounts in the financial statements.

Investment property that is being redeveloped for continuing use as investment property or for which the market has become less active continues to be measured at fair value.

Fair value measurement on property under construction is only applied if the fair value is considered to be reliably measurable. It may sometimes be difficult to determine reliably the fair value of the investment property under construction. In order to evaluate whether the fair value of an investment property under construction can be reliably determined, management considers the following factors, among others:

- ➊ The provisions of the construction contract
- ➋ The stage of completion
- ➌ Whether the project/property is standard (typical for the market) or non – standard
- ➍ The level of reliability of cash inflows after completion
- ➎ The development risk specific to the property
- ➏ Past experience with similar constructions
- ➐ Status of construction permits

The fair value of investment property reflects, among other things, rental income from current leases and assumptions about rental income from future leases in the light of current market conditions. The fair value also reflects, on a similar basis, any cash outflows that could be expected in respect of the property.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

The fair value of investment property does not reflect future capital expenditure that will improve or enhance the property and does not reflect the related future benefits from this future expenditure other than those a rational market participant would take into account when determining the value of the property.

Changes in fair values are recognised in profit and loss for the period in which it arises. Investment properties

Notes to the financial statements

For the 52 week period ended 27 April 2025 (continued)

are derecognised either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal.

Where the Group disposes of a property at fair value in an arm's length transaction, the carrying value immediately prior to the sale is adjusted to the transaction price, and the adjustment is recorded in profit or loss for the period in which it arises within net gain from fair value adjustment on investment property.

If an investment property becomes owner-occupied, it is re-classified as property, plant and equipment. Its fair value at the date of reclassification becomes its cost for subsequent accounting purposes.

If an item of owner-occupied property becomes an investment property because its use has changed, any difference resulting between the carrying amount and the fair value of this item at the date of transfer is treated in the same way as a revaluation under IAS 16. Any resulting increase in the carrying amount of the property is recognised in the profit or loss to the extent that it reverses a previous impairment loss, with any remaining increase recognised in other comprehensive income and increases directly to revaluation surplus within equity. Any resulting decrease in the carrying amount of the property is initially charged in other comprehensive income against any previously recognised revaluation surplus, with any remaining decrease charged to the statement of comprehensive income.

Where an investment property undergoes a change in use, evidenced by commencement of development with a view to sale, the property is transferred to inventories. A property's deemed cost for subsequent accounting as inventories is its fair value at the date of change in use.

3.5 Lease rights

Lease rights represent rights covered by contract or similar arrangement to occupy, lease out or otherwise utilise property. Separately acquired lease rights are shown at historical cost. Lease rights acquired in a business combination are recognised at fair value at the acquisition date.

Where land rights are acquired directly through agreement with Government, the Group records these at nominal amounts at the inception of the underlying lease / rental agreements or when such agreements are renewed.

Lease rights have a finite useful life based on the underlying contractual agreement assigning such rights to the consignee and are recognised in the consolidated statement of financial position as a right-of-use asset and lease liability, initially measured at the present value of future lease payments.

3.6 Intangible assets

Goodwill

Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred over the Group's interest in the net fair value of the net

identifiable assets, liabilities and contingent liabilities of the acquiree and the fair value of the non-controlling interest in the acquiree.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash generating units or Groups of cash-generating units that are expected to benefit from the synergies of the combination. Each unit or Group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes.

Goodwill is monitored at the operating segment level. Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

On disposal of a cash generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Brands, trademarks and customer contracts

Separately acquired brands or trademarks are recognised at cost. Brands, trademarks, and customer contracts acquired in a business combination are recognised at fair value at the acquisition date. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses.

Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Amortisation of brands, trademarks and customer contracts is calculated using the straight-line method to allocate their cost to their respective residual values over their useful lives as follows:

⌚	Brands: 25 years.
⌚	Customer contracts: 10 years.

Software

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their useful lives (three to five years) on a straight-line basis.

Costs associated with developing or maintaining computer software programmes are recognised as an expense as incurred. Costs that are directly associated with the development of identifiable and unique software products controlled by the Group, and that will probably generate economic benefits exceeding costs

Notes to the financial statements

For the 52 week period ended 27 April 2025 (continued)

beyond one year, are recognised as intangible assets. Costs include the employee costs incurred as a result of developing software and an appropriate portion of relevant overheads.

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

3.7 Impairment of non-financial assets

Assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are Grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

3.8 Leasing

The Group as lessor

The Group enters into lease agreements as a lessor with respect to some of its investment properties.

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for the head lease and the sub-lease as two separate contracts. The sub-lease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

When a contract includes both lease and non-lease components, the Group applies IFRS 15 to allocate the consideration under the contract to each component.

The Group as lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- ④ Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- ④ Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- ④ The amount expected to be payable by the lessee under residual value guarantees;
- ④ The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- ④ Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

Notes to the financial statements

For the 52 week period ended 27 April 2025 (continued)

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- ④ The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option and where these changes are reasonably certain, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- ④ The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- ④ A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group did not make any such adjustments during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, Plant and Equipment' policy.

Variable rents that do not depend on an index or rate are not included in the measurement the lease liability

and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "Other expenses" in profit or loss.

Some of the leases of buildings contain extension and termination options exercisable by the Group before the end of the non-cancellable contract period. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. For some of the property leases, the extension and termination options held are exercisable only by the Group and not by the respective lessor. At lease commencement date, the Group assesses whether it is reasonably certain to exercise the extension options.

The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant change in circumstances within its control.

3.9 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of comprehensive income over the period of the borrowings using the effective interest method.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in the statement of comprehensive income for the period in which they are incurred.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

3.10 Employee benefits

Pension obligations

The Sefalana Group Staff Pension Fund converted from a defined benefit plan to a defined contribution plan during 2004. Upon this conversion a portion of the surplus of Fund assets over the Fund's liability to members was distributed into an Employer Reserve. This was available to be utilised solely for employer contributions into the members' pension credits in lieu of cash contributions, for the approximately 60 members in the Fund at that time. The amalgamated Fund had fully utilised the Employer Reserve available to the participating employers at both 30 April 2022 and 2023.

Notes to the financial statements

For the 52 week period ended 27 April 2025 (continued)

3.11 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, except to the extent it relates to items recognised directly in equity. In this case, tax is also recognised in equity.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date in the countries where the Group's subsidiaries generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided for in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. However, if the deferred income taxes arise from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted at the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred income tax assets are recognised for loss carry forwards to the extent that the realisation of the related tax benefit through future taxable profits is probable. Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates and joint ventures, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Withholding tax of 10% is payable on the gross value of dividends on behalf of the shareholder, in accordance with the Botswana Income Tax Act.

3.12 Inventories

Inventories comprising fast moving consumer goods for resale are valued at the lower of cost and net realisable value. Cost on these goods is determined on the weighted average basis and is the net of the invoice price, insurance, freight, customs duties, trade discounts, rebates and settlement discounts. Rebates and other incentives received from suppliers are accounted for in the period to which these relate.

When inventories are sold, the carrying amount of those inventories are recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to the net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount

of any reversal of any write-down of inventories, arising from an increase in net realisable value, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

Inventories comprising vehicles and equipment for resale are also stated at the lower of cost and net realisable value. Costs, including an appropriate portion of fixed and variable overhead expenses, are assigned to inventories held by the method most appropriate to the particular class of inventory, with the majority being valued on the first-in first-out basis.

Work in progress arising from rendering of services of vehicles and equipment is valued with costs of materials used and excludes labour or overhead components. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to complete the sale.

3.13 Financial instruments

Financial assets and financial liabilities are recognised in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

3.13.1 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity specific inputs.

Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

Notes to the financial statements

For the 52 week period ended 27 April 2025 (continued)

- ④ the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- ④ the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Group did hold debt instruments that satisfy the requirements for subsequent measurement at fair value through other comprehensive income (FVTOCI).

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

Financial assets at FVTPL

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship. Refer to note 8 for 'other income and gains / (losses)'.

Dividends and interest earned on financial assets measured at FVTPL are recognised in profit or loss as part of investment income (note 7) from continuing operations when the Group's right to receive payment is established.

Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less reduction for expected credit losses. A loss allowance is recognised for all trade receivables, in accordance with IFRS 9 Financial Instruments, and is 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.

The Group measures the loss allowance for trade receivables by applying the simplified approach which is prescribed by IFRS 9. In accordance with this approach, the loss allowance on trade receivables is determined as the lifetime expected credit losses on trade receivables. Where applicable, these lifetime expected credit losses are estimated using a provision matrix. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the statement of comprehensive income. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against 'administration expenses' in the statement of comprehensive income.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at FVTOCI and trade and

other receivables. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- ④ when there is a breach of financial covenants by the debtor; or
- ④ information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collateral held by the Group).

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion be considered.

Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Group's understanding of the specific future financing needs of the debtors, and other relevant forward looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognised in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

Impairment assessment of trade receivables is described in note 24.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially

Notes to the financial statements

For the 52 week period ended 27 April 2025 (continued)

all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of an investment in a debt instrument classified at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

Foreign exchange gains and losses

Translation differences relating to changes in amortised cost are recognised in profit or loss, and other changes in carrying amounts are recognised in other comprehensive income. Translation differences on non-monetary securities are recognised in other comprehensive income.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

Finance Income

Finance income, where applicable is recognised over time in the statement of comprehensive income, using the accrued interest method, by reference to the principal amounts outstanding and at the interest rate applicable. Finance income is derived primarily from bank deposits held and from loans and receivables.

3.13.2 Financial liabilities and equity

Classification

The Group only has financial liabilities that are classified as 'financial liabilities at amortised cost'

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums

or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Trade payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Stated capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

3.14 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of value-added tax, returns, rebates and discounts and after eliminating sales within the Group.

The Group recognises revenue from the principal activities of retailing and associated activities. For the majority of revenue streams, there is a low level of judgement applied in determining the consideration or the timing of transfer of control.

The Group recognises revenue when the Group satisfies its performance obligations in terms of the related customer contract. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Rental Income

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Sale of goods – merchandise

Merchandise sales are recognised when control of the goods has transferred, being at the point the customer purchases/consumes the goods. Payment of the transaction price is due immediately at the point the customers purchase/consume the goods.

Payment is generally received via cash, debit card, credit card or cheque, or through charge to a line of credit granted to the customer.

Notes to the financial statements

For the 52 week period ended 27 April 2025 (continued)

Under the Group's standard contract terms, customers have a right of return within seven days. At the point of sale, a refund liability and a corresponding adjustment to revenue is recognised for those products expected to be returned. At the same time, the Group has a right to recover the product when customers exercise their right of return. Consequently, the Group recognises a right to returned goods as assets and a corresponding adjustment to cost of sales. The Group uses its accumulated historical experience to estimate the number of returns on a portfolio level using the expected value method. It is considered highly probable that a significant reversal in the cumulative revenue recognised will not occur given the consistent level of returns over previous years. The Group reviews its estimate of expected returns at each reporting date and updates the amounts of the asset and liability accordingly. No material right of return assets and corresponding refund liabilities were held by the Group at the end of the current financial year.

A loyalty program is offered to customers which enables customers to purchase goods in future at a discounted price through the use of loyalty cards. The card holder cannot redeem points without future purchases. A contract liability is recognised for revenue relating to the loyalty points at the time of the initial sales transaction. Revenue from the loyalty points is recognised when the points are redeemed by the customer.

The loyalty points provide a material right to customers that they would not receive without entering into a contract with the Group. Accordingly, the promise to provide points to the customer is identified as separate performance obligation. The transaction price is allocated to the product and the points using a relative stand-alone selling price basis. The stand-alone selling price per point is estimated based on the discount to be given when the points are redeemed by the customer, as evidenced by the Group's historical experience. The stand-alone selling price of the product sold to the customer is estimated on the basis of its retail price.

Sales of goods – others

Revenue from sale of other goods is recognised when control of the goods has transferred, being at the point the customer purchases / consumes the goods. Payment of the transaction price is due immediately at the point the customers purchases / consumes the goods.

Sales of services

Revenue from the provision of services is recognised when the Group satisfies its performance obligations, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided. Payment for sales services is not due until the services are complete.

Included in the transaction price for the sale of vehicles is an after-sales service. This service relates to maintenance work that may be required to be carried out on the vehicles for a period that varies with customer requirements and the service interval. This period can then be extended if the customer requires additional

years of maintenance services. The renewal of services after the agreed period will be for the price at which these are sold by the Group to all of its customers as at the date of renewal regardless of the existence of a renewal option. Consequently, the option to extend the renewal period does not provide customers with any advantage when they enter into the initial contract and therefore no revenue has been deferred relating to this renewal option.

The maintenance service is considered to be a distinct service as it is both regularly supplied by the Group to other customers on a stand-alone basis and is available for customers from other providers in the market. A portion of the transaction price is therefore allocated to the maintenance services based on the stand-alone selling price of those services. Discounts are not considered as they are only given in rare circumstances and are never material.

3.15 Cost of sales

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write down or loss occurs. The amount of any reversal of any write down of inventories, arising from an increase in net realisable value, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

The related cost of providing services recognised as revenue in the current period is included in cost of sales. Contract costs comprise:

- ⌚ Costs that relate directly to the specific contract;
- ⌚ Costs that are attributable to contract activity in general and can be allocated to the contract; and
- ⌚ Such other costs that are specifically chargeable to the customer under the terms of the contract.

3.16 Dividend distribution

Dividend distribution to the Group's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Group's shareholders.

3.17 Segmental reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors, that make strategic decisions. The costs of shared services are accounted for in a separate ("unallocated") segment. Transactions between segments are generally accounted for in accordance with Group policies as if the segment were a stand-alone business with intra-segment revenue being eliminated through a separate adjustment to revenue.

Notes to the financial statements

For the 52 week period ended 27 April 2025 (continued)

All segment revenue and expenses are directly attributable to the segments. Segment assets include all operating assets used by a segment. Segment liabilities include all operating liabilities. These assets and liabilities are all directly attributable to the segments. All inter-segment transactions are on an arms-length basis and are eliminated on consolidation.

The Group's areas of operations were limited to the Republic of Botswana, the Republic of Namibia, the Kingdom of Lesotho, the Republic of Zambia, Mauritius and the Commonwealth of Australia during the reporting periods.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In preparing the annual financial statements and applying the Group's accounting policies, the entity has made certain key judgements and estimates in order to present balances and amounts in these financial statements. The following is a summary of those key judgements and key sources of estimation uncertainty at the reporting date, which has the most material effect on the carrying amounts of assets and liabilities included in the financial statements:

4.1 CRITICAL JUDGEMENTS IN APPLYING THE GROUP ACCOUNTING POLICIES

The following are the critical judgements, apart from those involving estimations (which are presented separately below), that the directors have made in the process of applying the Group's accounting policies and that have the most material effect on the amounts recognised in financial statements.

4.1.1 Consolidation of KSI Holdings Proprietary Limited

The Group has a 50% equity ownership in KSI Holdings Proprietary Limited ("KSI"), and on the basis that all the shareholders of KSI have given unilateral control to Sefalana Holding Group Limited, through a shareholder agreement, to make all necessary strategic decisions pertaining to the KSI business, including decisions relating to the management of the business and its relevant activities, control is deemed to be held by Sefalana in accordance with IFRS 10 ("Consolidated Financial Statements"). KSI is therefore classified as a subsidiary Group and has been consolidated in the Group's financial statements accordingly.

4.1.2 Impairment indicators - Investment in Associate (Seasons Group)

The Group has assessed the financial performance of the Seasons Group associate against the established business plans, and has determined that - given that performance aligns with expectations - the losses incurred by this associate are not an indicator of impairment.

4.2 KEY SOURCES OF ESTIMATION UNCERTAINTY

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting period that may have a significant risk of causing a

material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

4.2.1 Fair value of land and buildings and investment properties

The Group periodically commissions an external expert to value its property portfolio. The latest full scope evaluation by an independent valuer was carried out as at 28 April 2024. As at 27 April 2025, an update was performed in the form of a desktop valuation. This updated valuation was used to support the Directors' valuation of the portfolio of Group properties. Resulting fair value gains and losses have been recognised in the statement of comprehensive income. Market values for developed property have been determined based on rental yields. A capitalisation factor has been applied to each property depending on its location and condition. Capitalisation rates applied in the recent valuation range from 8% to 18% (2024: 8% to 18%).

A 10 basis point increase in the capitalisation rate would result in a P0.53 million (2024: P2.7 million) reduction in overall portfolio value. A 10 basis point decrease in capitalisation rate would result in a P0.53 million (2024: P2.7 million) increase in overall portfolio value. Undeveloped land has been valued based on recent market data on similar properties transacted on an arm's length basis. Refer to notes 14 and 16 respectively for fair value disclosure.

4.2.2 Impairment of goodwill

The Group tests annually whether goodwill (as disclosed in note 17) has suffered any impairment, in accordance with its accounting policy on goodwill. The recoverable amounts of cash-generating units have been determined by the Directors based on forecast pre-tax free cash flows of each cash-generating unit. These calculations require the use of estimates, the most significant of which are assumptions of a growth rate and discount rates (refer to note 17).

The impairment calculations performed by the Group at the current year-end indicate significant headroom between the value in use attributed to cash generating units and the carrying value of the goodwill allocated to such units.

4.2.3 Inventory provisions

Unit cost adjustments

The Group adjusts recorded unit costs for rebate income and settlement discount. Unit cost is recorded gross of rebate income and the adjustment is thus required to bring the unit cost to a post-rebate level. The Group also adjusts inventory by foreign exchange difference to account for the variance between standard exchange rates utilised in the unit cost calculation and actual exchange rates on transaction date.

Notes to the financial statements

For the 52 week period ended 27 April 2025 (continued)

Provision for shrinkage

Shrinkage is estimated as a percent of sales for the period from the last inventory date to the end of the fiscal period. Physical inventories are taken at least quarterly and inventory records are adjusted accordingly. The shrinkage rate from the most recent physical inventory, in combination with current events and historical experience, is used as the standard for the shrinkage accrual rate for the next inventory cycle.

Inventory net realisable value allowances

The Group evaluates its inventory to ensure that it is carried at the lower of cost or net realisable value. Allowances are made against slow moving, obsolete and damaged items. Damaged inventories are identified and written down through inventory verification processes.

Allowance for slow moving and obsolete inventories

In making an allowance for slow moving and obsolete items, the company determines the ageing of the inventory held at the year-end date based on historical sales quantities, its estimate of the likely sales discounts (below original cost), which the company may have to offer in order to sell slow-moving items, and the extent of losses which the company may incur when writing off obsolete items.

The determination of the allowance for slow-moving and obsolete retail inventories involves a fair amount of judgement and estimation. Management has concluded that the stock included in more than 365 days is at a higher risk of becoming obsolete. The provision percentage applied in determining the stock obsolescence is sensitive to future sales and a movement of 1% could result in an increase/decrease of P14 million in either direction.

4.2.4 Fair Value of Investment in Preference Shares

The Group has made judgements and assumptions concerning the valuation of preference shares. These are detailed in note 19 of the financial statements.

4.2.5 Determination of the lease term and discount rate

The measurement of the right-of-use assets and lease liabilities is inherently judgmental and relies on management's best estimate based on key inputs, namely: the determination of the lease term and the discount rate (interest rate implicit in the lease or incremental borrowing rate).

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

The following factors are normally the most relevant for the Group's leases of buildings:

- ④ If there are significant penalties to terminate (or not extend), the Group is typically reasonably certain to extend (or not terminate).
- ④ If any leasehold improvements are expected to have a significant remaining value, the Group is typically reasonably certain to extend (or not terminate).
- ④ Otherwise, the Group considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

The lease term is reassessed if an option is actually exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

The discount rate is determined as the interest rate implicit in the lease, or if the rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Notes to the financial statements

For the 52 week period ended 27 April 2025 (continued)

	2025	2024
	P'000	P'000
5 REVENUE		
An analysis of the Group's revenue net of eliminations is as follows:		
Trading	10 652 253	9 291 546
Trading - others	126 210	118 421
Manufacturing	376 592	290 411
Property rental income	18 618	19 930
	11 173 673	9 720 308

Included in the above is P20.0 million (2024: P17.6 million) relating to loyalty points redeemed by customers and P0.06 million (2024: P1.4 million) relating to utilisation of the maintenance service plan by customers (note 34).

Total service revenue included in 'trading others' above amounts P13.3 million (2024: P12.8 million).

Property rental income comprises:		
Contractual rental income	19 686	19 605
Straight - line lease rental adjustment	(1 068)	325
	18 618	19 930

Notes to the financial statements

For the 52 week period ended 27 April 2025 (continued)

6 SEGMENTAL ANALYSIS

The Company's Board of Directors acts as the Chief Operating Decision Maker of the Group and it assesses the performance of the operating units based on the measure of earnings before interest, tax and amortisation (EBITA) and also on profit before tax (PBT).

These measurement bases assess performance on the bases of recognition and measurement which are consistent with the accounting policies of the Group. Performance is monitored based on business and geographical segments.

The Group's operating businesses are organised and managed separately according to the nature of products and services offered by each segment representing a strategic business unit. All transactions between reported segments are at arm's length. The accounting policies of the reportable segments are the same as the Group's accounting policies described.

The Group is organised into following reportable operating segments:

Trading - consumer goods

Wholesale and retail distribution of fast moving consumer goods (FMCG). The segments for the Botswana, Namibia and Lesotho businesses are presented separately.

Trading - others

Sale of automotive products, equipment for construction and agricultural related sectors including after-sale services.

Manufacturing

Milling, production and sale of sorghum, soya and maize based extruded food products and the manufacture of Ultra High Temperature (UHT) milk.

Property

Holding of commercial and industrial properties for own use as well as for generating income from lease arrangements with external tenants, along with capital appreciation in value.

With the exception of Trading others and Manufacturing segments, revenue is derived from a very broad and diversified customer base, with no dependence on any significant customer.

Revenue from Trading - others and Manufacturing operating segments is derived largely from various Government departments following the award of tenders.

The Group's most significant operations are in Botswana, Namibia and Lesotho where the Group engages in the wholesale and retail distribution of fast moving consumer goods. The Group also operates a property company in Zambia with operating leases in place with third party tenants. The operational results and financial position of the Lesotho, Namibian and Zambian businesses are reported as separate geographical segments. There is no single external customer whose revenue transactions amount to 10% or more of the Group's revenue.

Investment in Preference Shares

In July 2024, the Group entered into a one year Preference Share arrangement with UIH Investment Holdings (Proprietary) Limited in South Africa (UIH). Under this arrangement, a subscription price of R275 million was paid, with an annual fixed dividend return of 15% and an effective date of 1 November 2024. At the end of this one year term, the preference share investment will be converted into a 30% equity stake in UIH, and will be recorded at fair value as an investment in associate.

Investment in associate - Seasons Australia

In May 2020, the Group invested in a chain of supermarkets in Queensland Australia. This investment is accounted for as an associate in which the Group now holds a 30% shareholding. The returns on this investment are shown in a separate segment (Australia).

Notes to the financial statements

For the 52 week period ended 27 April 2025 (continued)

6 SEGMENTAL ANALYSIS (continued)

Segment results

	Botswana			
2025	Trading consumer goods P'000	Trading others P'000	Manufacturing P'000	Property P'000
Revenue	5 839 107	126 210	599 509	65 720
Cost of sales	(5 521 210)	(105 223)	(442 167)	
Gross profit	317 897	20 987	157 342	65 720
Other income and gains / (losses)	26 189	7 066	2 234	13 792
Administrative expenses	(133 533)	(21 816)	(78 725)	(15 712)
Earnings before interest, tax and amortisation (EBITA)	210 553	6 237	80 851	63 800
Amortisation	(862)			
Investment income	5 569	1 319	2 209	632
Finance costs	(14 818)	(490)	(6 944)	(8 170)
Profit before share of results from associates	200 442	7 066	76 116	56 262
Share of results from associates				
Profit before tax	200 442	7 066	76 116	56 262
Total segment results above include:				
Revenue from external customers	5 837 141	120 094	379 147	13 352
Revenue from internal customers	1 966	6 116	220 362	52 368
Total revenue	5 839 107	126 210	599 509	65 720
Depreciation and amortisation	94 889	1 943	8 586	16 115

Segment assets and liabilities

	Botswana			
2025	Trading consumer goods P'000	Trading others P'000	Manufacturing P'000	Property P'000
Property, plant and equipment	309 633	22 649		1 511
Right of use assets	113 337	4 277	13 672	
Investment property				692 550
Intangible assets	4 436			
Other non-current assets	21 254	5 844	750	3 570
Non-current assets	448 660	32 770	14 422	697 631
Current assets	1 141 023	66 351	432 459	14 681
Liabilities	(819 588)	(19 386)	(84 947)	(187 157)
Inter-group balances	(150 473)	(10 937)	(180 237)	27 326
Capital expenditure during the year	124 806	104	30 936	19 826

Notes to the financial statements

For the 52 week period ended 27 April 2025 (continued)

Zambia	Lesotho	Namibia	South Africa	Australia	Group	
Property	Trading consumer goods	Trading consumer goods	Investment in preference shares	Investment in associate	Inter-segment or unallocated	Consolidated
P'000	P'000	P'000	P'000	P'000	P'000	P'000
4 947	1 005 065	3 813 939			(280 824)	11 173 673
	(943 818)	(3 619 193)			250 317	(10 381 294)
4 947	61 247	194 746			(30 507)	792 379
(306)	345	18 325	102 384		(14 141)	155 888
(1262)	(26 131)	(70 097)			(46 895)	(394 171)
3 379	35 461	142 974	102 384		(91 543)	554 096
	(1 627)	(4 142)				(6 631)
43	1 359	9 845	15 262	3 216	7 976	47 430
	(5 772)	(25 670)			23 818	(38 046)
3 422	29 421	123 007	117 646	3 216	(59 749)	556 849
				(6 716)		(6 716)
3 422	29 421	123 007	117 646	(3 500)	(59 749)	550 133

4 947	1 005 065	3 813 939			(12)	11 173 673
					(280 812)	
4 947	1 005 065	3 813 939			(280 824)	11 173 673
3	8 633	66 116			328	196 613

Zambia	Lesotho	Namibia	South Africa	Australia	Group	
Property	Trading consumer goods	Trading consumer goods	Investment in preference shares	Investment in associate	Inter-segment or unallocated	Consolidated
P'000	P'000	P'000	P'000	P'000	P'000	P'000
	12 337	287 676			627 790	1 261 596
	24 974	96 641			(13 939)	238 962
43 381					(528 810)	207 121
	3 987	72 041			22 487	102 951
154	5 189		303 496	94 410	6 667	441 334
43 535	46 487	456 358	303 496	94 410	114 195	2 251 964
4 107	230 959	633 491	15 262		(36 802)	2 501 531
(905)	(93 360)	(632 739)			(90 891)	(1 928 973)
	(95 728)	(128 889)			538 938	
	8 184	65 883			23	249 762

Notes to the financial statements

For the 52 week period ended 27 April 2025 (continued)

6 SEGMENTAL ANALYSIS (continued)

Segment results

	Botswana			
2024	Trading consumer goods	Trading others	Manufacturing	Property
	P'000	P'000	P'000	P'000
Revenue	5 157 836	118 421	424 074	61 372
Cost of sales	(4 872 323)	(93 166)	(305 221)	
Gross profit	285 513	25 255	118 853	61 372
Other income and gains / (losses)	26 467	8 167	3 175	15 742
Administrative expenses	(118 930)	(25 357)	(58 824)	(15 738)
Earnings before interest, tax and amortisation (EBITA)	193 050	8 065	63 204	61 376
Amortisation	(799)			
Investment income	6 375	1 139	1 730	1 956
Finance costs	(15 756)	(1 540)	(4 752)	(8 481)
Profit before share of results from associates	182 870	7 664	60 182	54 851
Share of results from associates				
Profit before tax	182 870	7 664	60 182	54 851
Total segment results above include:				
Revenue from external customers	5 154 981	89 396	290 411	13 919
Revenue from internal customers	2 855	29 025	133 663	47 453
Total revenue	5 157 836	118 421	424 074	61 372
Depreciation and amortisation	78 923	2 992	7 089	15 973

Segment assets and liabilities

	Botswana			
2024	Trading consumer goods	Trading others	Manufacturing	Property
	P'000	P'000	P'000	P'000
Property, plant and equipment	202 509	4 377	83 537	1 841
Right of use assets	119 712	14 776	5 484	
Investment property				685 323
Intangible assets	3 887			
Other non-current assets	24 487	25 394		7 495
Non-current assets	350 595	44 547	89 021	694 659
Current assets	1 078 940	80 574	268 445	34 654
Liabilities	(779 734)	(37 364)	(118 627)	(204 895)
Inter-group balances	(116 747)	(18 446)		(110)
Capital expenditure during the year	66 156	4 542	9 678	50 354

Notes to the financial statements

For the 52 week period ended 27 April 2025 (continued)

Zambia	Lesotho	Namibia	South Africa	Australia	Group	
Property	Trading consumer goods	Trading consumer goods	Investment in preference shares	Investment in associate	Inter- segment or unallocated	Consolidated
P'000	P'000	P'000	P'000	P'000	P'000	P'000
5 062	937 449	3 229 090			(212 996)	9 720 308
	(885 221)	(3 066 620)			195 394	(9 027 157)
5 062	52 228	162 470			(17 602)	693 151
12 243	396	16 040		16 536	(12 320)	86 446
(1881)	(23 628)	(51 427)			(24 171)	(319 956)
15 424	28 996	127 083		16 536	(54 093)	459 641
	(1 538)	(4 828)				(7 165)
62	682	8 641		4 612	7 225	32 422
	(7 924)	(29 278)			43 812	(23 919)
15 486	20 216	101 618		21 148	(3 056)	460 979
				(18 041)		(18 041)
15 486	20 216	101 618		3 107	(3 056)	442 938
5 062	937 449	3 229 090				9 720 308
					(212 996)	
5 062	937 449	3 229 090			(212 996)	9 720 308
	9 148	58 141			358	172 624

Zambia	Lesotho	Namibia	South Africa	Australia	Group	
Property	Trading consumer goods	Trading consumer goods	Investment in preference shares	Investment in associate	Inter- segment or unallocated	Consolidated
P'000	P'000	P'000	P'000	P'000	P'000	P'000
	6 037	250 031			532 346	1 080 678
	4 167	69 269			(37 999)	175 409
46 065					(502 623)	228 765
	5 389	74 196			22 487	105 959
256	6 259			100 916	(24 460)	140 347
46 321	21 852	393 496		100 916	(10 249)	1 731 158
2 774	196 783	540 189			127 358	2 329 717
(727)	(67 955)	(544 132)			237 261	(1 516 173)
	(91 548)	(128 061)			354 912	
	2 978	73 695			300	207 703

Notes to the financial statements

For the 52 week period ended 27 April 2025 (continued)

	Note	2025	2024
		P'000	P'000
7 INVESTMENT INCOME			
Interest income from:			
Bank deposits		27 641	27 150
Other loans and receivables		4 527	5 272
Dividends from preference share investment	41	15 262	
		47 430	32 422
8 OTHER INCOME AND GAINS / (LOSSES)			
Fair value gain on investment in preference shares	19	102 384	
Gain on part disposal of associate	18		13 597
Gain on redemption of loan to associate	18		958
Reclassification of foreign currency translation from other comprehensive income	28		1 981
(Loss) / gain on disposal of property, plant and equipment		(327)	426
Fair value gain on investment property	16	645	12 338
Gain on revaluation of property classified as held for sale	26		1 259
Net effect of straight line - rental adjustment		1 068	(325)
Net foreign exchange gains		12 120	10 246
Recovery from impaired asset		544	788
Insurance recoveries		6 412	3 563
Promotional activities		14 436	21 383
Commission		10 214	11 163
Other		8 392	9 069
		155 888	86 446
9 FINANCE COSTS			
Interest paid on:			
Bank overdrafts and loans		20 450	10 916
Lease obligations	15	17 596	13 003
		38 046	23 919

The weighted average cost of borrowing for the Group is 7.4 % (2024: 7.8 %).

Notes to the financial statements

For the 52 week period ended 27 April 2025 (continued)

	2025	2024
	P'000	P'000
10 INCOME TAX EXPENSE		
Current tax		
Basic Company Tax	116 222	96 488
Withholding tax on dividend and interest	17 301	8 297
Adjustment in respect of prior years	(1 865)	(483)
Total current tax	131 658	104 302
Deferred tax		
Origination and reversal of temporary differences (note 21).	(7 731)	3 117
Adjustment in respect of prior years	180	
Total deferred tax	(7 551)	3 117
Income tax expense	124 107	107 419

At the reporting date the Group's unutilised tax losses and its ageing are as follows:

	2025	2024
Period	P'000	P'000
2024-25	22 641	
2023-24	9 648	9 648
2022-23	2 582	2 582
2021-22	6 447	6 447
2020-21	8 566	8 566
2019-20	2 042	2 470
Prior period losses	4 892	4 892
	56 818	34 605
Loss included above which can be carried forward indefinitely	11 294	11 550
Losses included above which can be carried forward to a maximum of 5 years	45 524	23 055

No deferred tax has been recognised in respect of above losses.

Notes to the financial statements

For the 52 week period ended 27 April 2025 (continued)

10 INCOME TAX EXPENSE (continued)

The Group has used the single corporate tax rate of 22% for calculating the current and deferred income taxes at the current and previous financial year end for the non - manufacturing entities in Botswana. For manufacturing entities, the current and deferred taxation rate applied is 15%. The Namibian corporate tax rate of 31% has been applied for the operations in Namibia. The tax rate in Zambia is a fixed final tax of 12.5% on total rental income and the applicable tax rate of 25% and 15% has been applied to operations in Lesotho and Mauritius respectively.

The charge for the year can be reconciled to the accounting profit as follows:

	2025	2024
	P'000	P'000
Profit before tax	550 133	442 938
Tax calculated at current tax rates - 22%	121 029	97 446
Tax effect of share of results of associates	1 478	3 969
Effect of differential tax rates and income not subject to tax	6 717	3 663
Expenses not deductible for tax purposes (*)	1 979	399
Adjustment in respect of prior years	(1 865)	(483)
Final tax on dividend and interest income	17 301	8 297
Tax effect of income not subject to tax (**)	(22 532)	(5 872)
Income tax expense per statement of comprehensive income	124 107	107 419

(*) Expenses not deductible for tax purposes include the tax effect of fair value losses and donations.

(**) Income not subject to tax includes fair value gains on investment properties and preference share.

Current tax assets and liabilities

Current tax assets:

Income tax refund receivable	5 296	8 275
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Current tax liabilities:

Income tax payable	33 986	5 156
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Effective tax rate	22.6%	24.3%
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Notes to the financial statements

For the 52 week period ended 27 April 2025 (continued)

	Note	2025	2024
		P'000	P'000
11 PROFIT BEFORE TAX			
Profit for the year has been arrived at after charging / (crediting):			
Auditors' remuneration			
– Audit fees		5 337	5 064
Non-audit fees		5	177
Amortisation of intangible assets	17	6 631	7 165
Depreciation of property, plant and equipment	14	108 205	94 036
Impairment of property, plant and equipment	14	765	
Depreciation of right to use asset	15	81 777	71 424
Directors and employee benefits		566 031	478 227
Expected credit losses on receivables	24	1 191	3 448
Fair value gain on revaluation of investment property	16	(645)	(12 338)
Gain on revaluation of property held for sale	26		(1 259)
Fair value gain on investment in preference shares	19	(102 384)	
Loss / (gain) on disposal of property, plant and equipment	8	327	(426)
Net foreign exchange gain	8	(12 120)	(10 246)
Cost of sale			
Inventories expensed		9 531 729	8 333 449
Depreciation - right of use assets and property, plant and equipment		156 737	132 029
Salaries and wages		310 663	249 799
Other direct costs		382 165	311 880
12 DIRECTORS EMOLUMENTS			
Emoluments of the Directors of Sefalana Holding Company Limited from the Company and its subsidiaries:			
Fees for services as Non - Executive Directors		2 774	1 781
Managerial services		44 787	34 974
Number of Directors at reporting date			
Non-Executive Directors		6	5
Executive Directors		4	4

Notes to the financial statements

For the 52 week period ended 27 April 2025 (continued)

	2025	2024
13 EARNINGS AND COMPREHENSIVE INCOME PER SHARE		
Profit attributable to owners of the parent (P'000)	423 798	334 463
Total comprehensive income attributable to owners of the parent (P'000)	440 563	355 123
Shares in issue at end of year (number)	250 726 709	250 726 709
Basic earnings per share is calculated by dividing the profit for the year attributable to owners of the parent by the weighted average number of ordinary shares in issue during the year.		
Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares in issue by any share options in force assuming conversion of all dilutable potential ordinary shares. No share options are in place at the year end or previous year end.		
Total comprehensive income per share is calculated by dividing the total comprehensive income attributable to owners of the parent by the weighted average number of ordinary shares in issue during the year.		
Shares in issue at beginning and end of year (number)	250 726 709	250 726 709
Weighted average shares in issue during the year (number)	250 726 709	250 726 709
Basic and diluted earnings per share (thebe)	169	133
Total comprehensive income per share (thebe)	176	142
DIVIDENDS		
	2025	2024
	P'000	P'000
Declared and paid during the year:		
Interim 2025: 12 thebe per share and final 2024: 53 thebe per share; (Interim 2024: 12 thebe per share and final 2023: 50 thebe per share)	162 971	155 449
Final 2025: 38 thebe per share; (Final 2024: 53 thebe per share)	95 276	132 885

Notes to the financial statements

For the 52 week period ended 27 April 2025 (continued)

14 PROPERTY, PLANT AND EQUIPMENT

	Land and buildings	Leasehold improvements	Plant, fixtures and equipment	Motor vehicles	Total
	P'000	P'000	P'000	P'000	P'000
Group					
Cost or valuation					
At 1 May 2023	600 272	23 113	631 141	75 159	1 329 685
Additions	50 892	2 300	136 435	14 675	204 302
Change in use	392	(407)		15	
Gain on revaluation	30 872				30 872
Reversal of depreciation on revaluation	(15 692)				(15 692)
Currency translation	886		1 514	175	2 575
Transfer from investment property (note 16)	2 033				2 033
Disposals			(164)	(604)	(768)
At 28 April 2024	669 655	25 006	768 926	89 420	1 553 007
At 29 April 2024	669 655	25 006	768 926	89 420	1 553 007
Additions	9 079	21 780	206 655	9 271	246 785
Gain on revaluation	25 388				25 388
Reversal of depreciation on revaluation	(16 432)				(16 432)
Currency translation	859		1 404	75	2 338
Impairment			(1 340)		(1 340)
Transfer from investment property (note 16)	21 287				21 287
Disposals			(3 974)	(1 584)	(5 558)
At 27 April 2025	709 836	46 786	971 671	97 182	1 825 475
Depreciation and impairment					
At 1 May 2023		13 711	336 375	43 225	393 311
Depreciation charge for the year	15 692	1 053	68 135	9 156	94 036
Disposals				(27)	(27)
Currency translation			587	114	701
Elimination of depreciation previously charged	(15 692)				(15 692)
At 28 April 2024		14 764	405 097	52 468	472 329
At 29 April 2024		14 764	405 097	52 468	472 329
Depreciation charge for the year	16 432	1 155	82 726	7 892	108 205
Impairment loss			(575)		(575)
Currency translation			471	(119)	352
Elimination of depreciation previously charged	(16 432)				(16 432)
At 27 April 2025		15 919	487 719	60 241	563 879
Carrying amount					
At 27 April 2025	709 836	30 867	483 952	36 941	1 261 596
At 28 April 2024	669 655	10 242	363 829	36 952	1 080 678

Transfer to investment property arose due to certain previously self-occupied properties becoming vacant during the period.

Notes to the financial statements

For the 52 week period ended 27 April 2025 (continued)

14 PROPERTY, PLANT AND EQUIPMENT (continued)

Fair value of land and buildings

The following table analyses the non - financial assets carried at fair value, by revaluation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1)
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly or indirectly (Level 2)
- Inputs for the asset or liability that are not based on observable market data (Level 3)

	Fair value measurements at 27 April 2025 arising		
	Level 1	Level 2	Level 3
	P'000	P'000	P'000
Office buildings - Botswana			39 359
Retail sale outlets - Botswana			466 151
Manufacturing sites - Botswana			89 509
Retail sale outlet and employee houses - Namibia			105 017
Retail - Lesotho			9 800
			709 836

There were no transfers between levels during the year.

	Fair value measurements at 28 April 2024 arising		
	Level 1	Level 2	Level 3
	P'000	P'000	P'000
Office buildings - Botswana			39 105
Retail sale outlets - Botswana			443 649
Manufacturing sites - Botswana			82 500
Retail sale outlet and employee houses - Namibia			94 811
Retail - Lesotho			9 590
			669 655

There were no transfers between levels during the year.

Valuation process

An independent valuation of the Group's land and buildings was performed by a professional third party valuer in April 2024. The valuer has recent experience in the location and categories of the said properties. The valuation conforms to International Valuation Standards and was based on recent market data on similar properties transacted on arm's length basis. These valuations were performed using the Income Capitalisation Method (discounted cash flow method) which is based on individual property capitalisation rates.

In April 2025, an update was performed on the above valuations in the form of a desktop valuation. This assessment was carried out by the same independent valuer and on the same basis as in April 2024. This updated valuation was used to support the Directors' valuation of the portfolio of Group properties.

Notes to the financial statements

For the 52 week period ended 27 April 2025 (continued)

14 PROPERTY, PLANT AND EQUIPMENT (continued)

Fair value measurements using significant un - observable inputs (Level 3)

	2025	2024
	P'000	P'000
Fair value at start of year	669 655	600 272
Additions	9 079	50 892
Reclassification / transfers / currency translation	22 146	3 311
Gain on revaluation recognised in other comprehensive income	25 388	30 872
Reversal of depreciation on revaluation	(16 432)	(15 692)
Fair value at end of year	709 836	669 655

2025

Fair value measurement using significant un - observable inputs (level 3)

Description	Fair value at 27 April 2025 P'000	Valuation technique	Range of un - observable inputs	Relationship of un - observable inputs to fair value
Land and buildings	709 836	Income capitalisation	Rental of P26 per sqm to P103 per sqm (weighted average of P65 per sqm) and capitalisation factor range from 8% to 14% with a weighted average of 12%	The higher the price per square meter, the higher the value of the property

2024

Fair value measurement using significant un - observable inputs (level 3)

Description	Fair value at 28 April 2024 P'000	Valuation technique	Range of un - observable inputs	Relationship of un - observable inputs to fair value
Land and buildings	669 655	Income capitalisation	Rental of P10 per sqm to P95 per sqm (weighted average of P60 per sqm) and capitalisation factor range from 8% to 14% with a weighted average of 12%	The higher the price per square meter, the higher the value of the property

Land and buildings comprise of office space, retail space and manufacturing properties where office buildings command rents at the higher end of the range, retail space commands rents in the mid range and manufacturing buildings commands rents at the lower end of the range.

A 10 basis point increase / decrease in capitalisation rate on each property would decrease / increase the overall valuation by P0.4million (2024: P2.4 million).

The rental assumptions used in the valuation of the properties is based on rental rates, which have limited variability. On this basis no sensitivity analysis has been presented in respect of any change in rental values.

Revaluation surpluses net of deferred tax relating to property, plant and equipment is credited to other reserves in shareholder's equity and are included in the Statement of Comprehensive Income.

Depreciation expenses of P76.4 million (2024: P70.9million) and P31.8 million (2024: P23.1million) are charged to "cost of sales" and "administrative expenses" respectively in the Statement of Comprehensive Income.

If land and buildings were stated on the historical cost basis the amounts would be as follows:

	2025	2024
	P'000	P'000
Cost	310 697	280 331
Accumulated depreciation	(64 228)	(56 461)
Net carrying amount	246 469	223 870

Notes to the financial statements

For the 52 week period ended 27 April 2025 (continued)

15 RIGHT OF USE ASSETS AND LEASE LIABILITIES

	P'000
Right of use asset	
At 1 May 2023	180 781
Additions during the year	67 558
Depreciation	(71 424)
Currency translation	(1 506)
At 28 April 2024	175 409
At 29 April 2024	175 409
Additions during the year	143 909
Depreciation	(81 777)
Currency translation	1 421
At 27 April 2025	238 962
Lease liability	
At 1 May 2023	205 894
Additions during the year	67 749
Lease interest (note 9)	13 003
Payments during the year (including interest)	(86 874)
Currency translation and other movements	(2 269)
At 28 April 2024	197 503
At 29 April 2024	197 503
Additions during the year	144 750
Payments during the year	(100 634)
Lease interest (note 9)	17 596
Currency translation and other movements	684
At 27 April 2025	259 899

Depreciation and interest charges incurred during the year in the statement of profit or loss and other comprehensive income are presented above.

The Group has property lease agreements of typically 5 years and sometimes this includes option periods. Where there is a highly probable likelihood of renewal, relevant cash flows have been considered. A discount rate ranging from 5.5% to 9.5% was applied in arriving at the Right of use asset and related liabilities. No restrictive covenants are imposed by the leases in place and there are no variable components.

The maturity of the lease liabilities are set out in the note below. The Group does not face a significant liquidity risk with regards to its lease liabilities.

Notes to the financial statements

For the 52 week period ended 27 April 2025 (continued)

15 RIGHT OF USE ASSETS AND LEASE LIABILITIES (continued)

Lease liability – under IFRS 16

Maturity analysis of lease liabilities

	2025		2024	
	Future minimum lease payments	Present value of capital payments	Future minimum lease payments	Present value of capital payments
	P'000	P'000	P'000	P'000
Finance lease liabilities are payable as follows:				
Within one year	93 251	80 231	81 502	66 665
Between two and five years	192 879	160 128	136 592	127 774
Beyond five years	21 809	19 540	3 259	3 064
	307 939	259 899	221 353	197 503
Unearned finance charges	(48 040)		(23 850)	
	259 899	259 899	197 503	197 503

	2025	2024
	P'000	P'000
Long term portion	179 667	130 839
Current portion	80 232	66 664
	259 899	197 503

The cash payments for the principal portion of the lease liability have been recognised under financing activities in the statement of cash flows while cash payments for interest on lease liability and short term leases are classified as operating activities within the statement of cash flows.

Notes to the financial statements

For the 52 week period ended 27 April 2025 (continued)

	2025	2024
	P'000	P'000
16 INVESTMENT PROPERTY		
Freehold and leasehold land and buildings at fair value	210 984	233 696
Straight - line lease rental adjustment	(3 863)	(4 931)
Balance at end of year	207 121	228 765
Reconciliation of fair value:		
Fair value at start of year	228 765	237 759
Additions during the year		1 192
Transfer to property, plant and equipment (note 14)	(21 287)	(2 033)
Asset classified as held for sale (note 26)		(4 741)
Currency translation and regrouping	(2 070)	(15 425)
Gain on revaluation of properties (note 8)	645	12 338
Straight - line lease rental adjustment	1 068	(325)
Fair value at end of year	207 121	228 765

Land and buildings are encumbered as details per note 29.

Fair value of land and buildings

The following table analyses the investment property carried at fair value by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1)
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly or indirectly (Level 2)
- Inputs for the asset or liability that are not based on observable market data (Level 3)

	Fair value measurements at 27 April 2025		
	Level 1	Level 2	Level 3
	P'000	P'000	P'000
Recurring fair value measurements			
Office buildings - Botswana			106 029
Office buildings - Zambia			43 401
Retail sale outlets - Botswana			17 041
Manufacturing site - Botswana			40 650
			207 121

There were no transfers between levels during the year.

	Fair value measurements at 28 April 2024		
	Level 1	Level 2	Level 3
	P'000	P'000	P'000
Recurring fair value measurements			
Office buildings - Botswana			125 613
Office buildings - Zambia			46 065
Retail sale outlets - Botswana			16 687
Manufacturing site - Botswana			40 400
			228 765

There were no transfers between levels during the year.

Notes to the financial statements

For the 52 week period ended 27 April 2025 (continued)

16 INVESTMENT PROPERTY (continued)

Fair value measurements using significant un - observable inputs (level 3)

2025

	Botswana properties	Zambia property	Total
	P'000	P'000	P'000
Fair value at start of year	182 444	46 321	228 765
Transfer to property, plant and equipment (note 14)	(21 287)		(21 287)
Currency translation and regrouping		(2 070)	(2 070)
Gain on revaluation of properties	1 495	(850)	645
Straight - line lease rental adjustment and others	1 068		1 068
Fair value at end of year	163 720	43 401	207 121

Fair value measurements using significant un - observable inputs (level 3)

2024

	Botswana properties	Zambia property	Total
	P'000	P'000	P'000
Fair value at start of year	186 951	50 808	237 759
Additions	1 192		1 192
Transfer to property, plant and equipment (note 14)	(2 033)		(2 033)
Asset classified as held for sale (note 26)	(4 741)		(4 741)
Currency translation and regrouping		(15 425)	(15 425)
Gain on revaluation of properties	1 223	11 115	12 338
Straight - line lease rental adjustment and others	(148)	(177)	(325)
Fair value at end of year	182 444	46 321	228 765

Valuation process

An independent valuation of the Group's land and buildings was performed by a professional third party valuer in April 2024. The valuer has recent experience in the location and categories of the said properties. The valuation conforms to International Valuation Standards and was based on recent market data on similar properties transacted on arm's length basis. These valuations were performed using the Income Return Method (discounted cash flow method) which is based on individual property capitalisation rates.

In April 2025, an update was performed on the above valuations in the form of a desktop valuation. This assessment was carried out by the same independent valuer and on the same basis as in April 2024. This updated valuation was used to support the Directors' valuation of the portfolio of Group properties.

Notes to the financial statements

For the 52 week period ended 27 April 2025 (continued)

16 INVESTMENT PROPERTY (continued)

Information about fair value measurements using significant unobservable inputs (level 3)

2025

Description	Fair value at 27 April 2025 P'000	Valuation technique	Range of un - observable inputs	Relationship of un - observable inputs to fair value
Investment property (Botswana)	163 720	Income capitalisation method	Rental of P25 per sqm to P94 per sqm (weighted average of P52 per sqm) and capitalisation factor range from 9% to 18% with a weighted average of 13%	The higher the price per square meter, the higher the value of the property
Investment property (Zambia)	43 401	Income capitalisation method	Market price per square meter	The higher the price per square meter of a comparable property, the higher the value of the property
Total	207 121			

Information about fair value measurements using significant unobservable inputs (level 3)

2024

Description	Fair value at 28 April 2024 P'000	Valuation technique	Range of un - observable inputs	Relationship of un - observable inputs to fair value
Investment property (Botswana)	182 444	Income capitalisation method	Rental of P7 per sqm to P92 per sqm (weighted average of P50 per sqm) and capitalisation factor range from 9% to 18% with a weighted average of 13%	The higher the price per square meter, the higher the value of the property
Investment property (Zambia)	46 321	Income capitalisation method	Market price per square meter	The higher the price per square meter of a comparable property, the higher the value of the property
Total	228 765			

A 10 basis point increase / decrease in capitalisation rate on each property would increase / decrease the overall valuation by P0.13 million (2024: P0.3 million).

The rental assumptions used in the valuation of the properties is based on market rates, which have limited variability. On this basis no sensitivity analysis has been presented in respect of any change in rental values.

Revaluation surpluses relating to investment property is included in other income and gains (note 8).

	2025	2024
	P'000	P'000
Contractual rental income from investment property	19 686	19 604
Expenses directly attributable to investment property	(1 867)	(1 778)

Lease agreements exist for all let properties and range from 12 months to 10 years with options to renew.

No contingent rentals are charged. Most leases include escalation clauses which approximate to expected average inflation rates over the period of the respective leases.

Notes to the financial statements

For the 52 week period ended 27 April 2025 (continued)

17 INTANGIBLE ASSETS

	Goodwill	Brand value	Computer software	Customer contract	Total
	P'000	P'000	P'000	P'000	P'000
Cost					
At 1 May 2023	49 175	83 539	24 559	19 114	176 387
Additions			2 209		2 209
Currency translation	189	747	143	170	1 249
At 29 April 2024	49 364	84 286	26 911	19 284	179 845
Additions			2 977		2 977
Currency translation	139	549	78	125	891
At 27 April 2025	49 503	84 835	29 966	19 409	183 713
Amortisation and impairment					
At 1 May 2023	2 836	29 517	19 553	14 343	66 249
Currency translation		282	245	(55)	472
Charge during the year		3 351	1 912	1 902	7 165
At 29 April 2024	2 836	33 150	21 710	16 190	73 886
Currency translation		144	27	74	245
Charge during the year		3 463	1 539	1 629	6 631
At 27 April 2025	2 836	36 757	23 276	17 893	80 762
Carrying amount					
At 27 April 2025	46 667	48 078	6 690	1 516	102 951
At 28 April 2024	46 528	51 136	5 201	3 094	105 959

Goodwill

The impairment assessment performed by the Directors at the year - end indicate significant headroom between the value in use attributed to cash generating units and the carrying value of the CGU allocated to such units.

Brand value

Brand value arose on the acquisition of the trading business of Metro Cash and Carry Namibia in July 2014. This value is being amortised over 25 years on straight - line basis. Its useful life is reviewed at each reporting date.

Computer software rights

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. The useful lives of software are reviewed at each reporting date.

Customer contracts

This arises from the long standing contractual agreements in place with credit customers of Sefalana Cash & Carry (Namibia) (Proprietary) Limited and Sefalana Trading (Proprietary) Limited, Lesotho.

Notes to the financial statements

For the 52 week period ended 27 April 2025 (continued)

17 INTANGIBLE ASSETS (continued)

For the purpose of impairment testing, goodwill is attached to the following cash generating units:

	2025	2024
	P'000	P'000
Sefalana Cash and Carry Limited	21 375	21 375
Sefalana Cash and Carry (Namibia) (Proprietary) Limited	22 254	22 254
Sefalana Trading (Proprietary) Limited, Lesotho	1 371	1 371
PWT Properties (Proprietary) Limited Namibia	90	90
MF Holdings (Proprietary) Limited	3 794	3 794
Currency translation	(2 217)	(2 356)
Total	46 667	46 528

Key assumptions used in the calculation of recoverable amounts are discount rates and growth rates as follows:

	2025				2024			
	"Sefalana Cash and Carry Limited"	"Sefalana Cash and Carry (Namibia) (Pty) Limited"	"Sefalana Trading (Pty) Limited, Lesotho"	"MF Holdings (Pty) Limited"	"Sefalana Cash and Carry Limited"	"Sefalana Cash and Carry (Namibia) (Pty) Limited"	"Sefalana Trading (Pty) Limited, Lesotho"	"MF Holdings (Pty) Limited"
Discount rates	15.00%	15.00%	15.00%	15.00%	14.51%	14.51%	14.51%	14.51%
Growth rates	5.00%	6.00%	5.00%	8.00%	3.50%	3.50%	3.00%	4.00%

The table below shows the amount that these assumptions are required to change individually in order for the estimated recoverable amount to equal its carrying amount.

	2025				2024			
	"Sefalana Cash and Carry Limited"	"Sefalana Cash and Carry (Namibia) (Pty) Limited"	"Sefalana Trading (Pty) Limited, Lesotho"	"MF Holdings (Pty) Limited"	"Sefalana Cash and Carry Limited"	"Sefalana Cash and Carry (Namibia) (Pty) Limited"	"Sefalana Trading (Pty) Limited, Lesotho"	"MF Holdings (Pty) Limited"
Discount rates	15.00%	15.00%	15.00%	15.00%	14.51%	14.51%	14.51%	14.51%
Change in growth rates	(13.59)%	(11.16)%	(16.8)%	(1.15)%	(15.45)%	(16.55)%	(13.9)%	(2.2)%

Management used a 3 year projected cashflow based on approved financial budgets / forecasts of each cash generating unit to determine the recoverable amounts.

Analysis of amortisation of intangible assets

	2025	2024
	P'000	P'000
Computer software	1 539	1 912
Brand value	3 463	3 351
Customer contracts	1 629	1 902
Total	6 631	7 165

Notes to the financial statements

For the 52 week period ended 27 April 2025 (continued)

18 INVESTMENT IN ASSOCIATES

	Seasons Group Australia				
	D & G Dream Finance Trust	D & G Dream Investment Holdings Proprietary Limited	Grow Mine Africa (Proprietary) Limited	Kgalagadi Soap Industries (Proprietary) Limited- (discontinued)	Total
	P'000	P'000	P'000	P'000	P'000
Investments at cost					
At 30 April 2023	28 847	57 403	6 620	2 616	95 486
Part disposal of investment	(7 212)	(14 351)			(21 563)
At 28 April 2024	21 635	43 052	6 620	2 616	73 923
Capitalisation of loan		10 836			10 836
At 27 April 2025	21 635	53 888	6 620	2 616	84 759
Impairment provision and other movements					
At 1 May 2023	(2 200)	31 031	6 620	2 616	38 067
Current year share of loss		18 041			18 041
Reversal on part disposal of investment	1 389	(10 841)			(9 452)
Currency translation gain	(2 023)	(6 972)			(8 995)
At 28 April 2024	(2 834)	31 259	6 620	2 616	37 661
At 29 April 2024	(2 834)	31 259	6 620	2 616	37 661
Current year share of loss		6 716			6 716
Reversal on part disposal of investment					
Currency translation loss	659	552			1 211
At 27 April 2025	(2 175)	38 527	6 620	2 616	45 588
Carrying value as at 27 April 2025	23 810	15 361			39 171
Carrying value as at 28 April 2024	24 469	11 793			36 262

Seasons Group Australia

On 7 May 2020 the Group entered into an agreement to purchase 40% of the share capital of an Australian business that operates in the Fast Moving Consumer Goods sector. This Australian business, by the name of Seasons Group, now consists of a chain of ten supermarkets in the Brisbane area. This business is controlled by a consortium of shareholders (Unitrade Investments Australia (Proprietary) Limited) ("UIA").

Total purchase consideration for Sefalana's investment in Australia amounted to AU\$10.5 million (P83 million), and was considered its fair value. The effective date of investment was 7 May 2020. This investment has been treated as an investment in an associate, in which Sefalana exerts significant influence, and is therefore equity accounted.

Part disposal of investment

In April 2024, the Group made a partial disposal of its shareholding in the Australian Seasons Group to UIH. As a result, its 40% shareholding was reduced to 30%. A consideration of P45.8 million (AU\$5.1 million) was received, resulting in a gain on disposal of P13.6 on equity and P1m on redemption of loan to associate. This gain has been recorded under other income and gains.

Notes to the financial statements

For the 52 week period ended 27 April 2025 (continued)

18 INVESTMENT IN ASSOCIATES (continued)

	2025		2024	
	AU\$'000	P'000	AU\$'000	P'000
5 465 520 shares (2024: 7 287 360) in D & G Dream Investment Holdings Pty Ltd	5 465	49 352	7 287	57 403
Less: 1 821 840 shares disposed			(1 822)	(14 351)
Add: 1 200 000 shares issued	1 200	10 836		
Currency translation		(1 617)		6 300
Investment in D & G Dream Investment Holdings Pty Ltd	6 665	58 571	5 465	49 352
3 612 600 shares in D & G Finance Trust (2024: 3 612 600 shares)	3 613	28 847	3 613	28 847
Less: 903 150 units disposed			(903)	(7 212)
Currency translation		2 902		2 834
Investment in D & G Finance Trust	3 613	31 749	2 710	24 469
40 shares in D & G Dream Finance				
Less: 10 units disposed during the year				
Total equity investment	10 278	90 320	8 175	73 821
Loan to D & G Dream Investment Holdings Pty Ltd				
At start of year	6 411	57 891	6 348	55 480
Additional loan advanced			2 200	19 488
Loan capitalised	(1 200)	(10 836)		
Currency translation		(1 262)		2 220
Part disposal of investment			(2 137)	(19 297)
At end of year	5 211	45 793	6 411	57 891
Interest receivable	1 075	9 446	749	6 763
Total loan and interest receivable	6 286	55 239	7 160	64 654

The business utilizes surplus cash to support store acquisitions, and therefore repayments against shareholder loans are not expected within the next 12 months, unless additional store acquisitions do not take place. Loan balances attract a 7% (2024: 7%) interest charge.

Unitrade Investments Australia (Proprietary) Limited holds 70% (2024: 70%) of the equity in above entities.

Since all the above companies are private entities, no quoted market prices are available for their shares.

Notes to the financial statements

For the 52 week period ended 27 April 2025 (continued)

18 INVESTMENT IN ASSOCIATES (continued)

Set out below are the summarised financial information for Seasons Group Australia which are accounted for using the equity method.

Summarised consolidated statement of comprehensive income of D & G Dream Investment Holdings Pty Limited

	2025		2024	
	AU\$'000	P'000	AU\$'000	P'000
Revenue	174 035	1543 690	176 878	1590 487
Gross profit	50 532	448 219	50 035	449 915
Operating loss before impact of IFRS 16 and once off items	(2 990)	(26 511)	(2 849)	(25 618)
Additional charge in respect of IFRS 16	(1 786)	(15 842)	(1 697)	(15 259)
Net gain / (loss) on disposal of stores	1 252	11 105	(1 421)	(12 778)
New store acquisition costs			(393)	(3 534)
Assets written off	(202)	(1 792)	(709)	(6 375)
Loss before tax	(3 726)	(33 040)	(7 069)	(63 564)
Tax credit	1 201	10 653	2 054	18 470
Loss after tax	(2 525)	(22 387)	(5 015)	(45 094)
Share of loss at 30% (2024: 40%)	(758)	(6 716)	(2 006)	(18 041)

Notes to the financial statements

For the 52 week period ended 27 April 2025 (continued)

18 INVESTMENT IN ASSOCIATES (continued)

Summarised Consolidated Statement of Financial Position of D & G Dream Investment Holdings Pty Limited

	2025		2024	
	AU\$'000	P'000	AU\$'000	P'000
Non - current assets				
Plant and equipment	25 042	220 053	25 911	233 976
Right of use assets	42 457	373 084	49 557	447 500
Goodwill	13 289	116 775	13 289	120 000
Intangible assets	8 433	74 104	7 992	72 168
Deferred tax asset	4 373	38 427	3 467	31 307
Total non - current assets	93 594	822 443	100 216	904 951
Current assets				
Cash and cash equivalents	3 426	30 105	4 864	43 922
Inventory	7 395	64 982	8 280	74 768
Other current assets	890	7 821	2 186	19 740
Total current assets	11 711	102 908	15 330	138 430
Non - current liabilities				
Lease liabilities	44 186	388 278	52 125	470 689
Redeemable preference shares	9 032	79 367	9 032	81 559
Borrowings	28 774	252 847	31 522	284 644
Provisions	3 113	27 355	3 534	31 912
Total non-current liabilities	85 105	747 847	96 213	868 804
Current liabilities				
Trade and other payables	14 077	123 699	14 666	132 434
Other current liabilities	5 664	49 772	5 683	51 317
Total current liabilities	19 741	173 471	20 349	183 751
Net equity	459	4 033	(1 016)	(9 174)

Seasons Group Australia consists of 9 supermarkets (2024: 10 supermarkets) in the Queensland State of Australia. Each supermarket has a lease in respect of its premises with a third party landlord. Leases in Australia tend to contain long lease periods of between 10-15 years. As a result, and due to the requirements of IFRS 16 Leases, a significant right to use asset and corresponding liability is recognised. The amortisation of this asset and related interest charge results in a relatively larger charge in the earlier years of the leases and a relatively lower charged in the latter periods of the lease term.

As a consequence, the above results include occupancy costs (recorded as finance charges in accordance with IFRS 16 Leases) which are greater than the amount actually paid to the landlord. This has been a significant contributor to the current year and prior year loss reported.

During the year, an amount of P36.1 million (AU\$4 million) was injected into the business by its shareholders to support additional store openings. Sefalana's share of additional investment amounted to P10.8 million (AU\$1.2 million). This resulted in a positive net equity position.

Notes to the financial statements

For the 52 week period ended 27 April 2025 (continued)

18 INVESTMENT IN ASSOCIATES (continued)

Other information pertaining to the associate company include:

Country of incorporation	Australia
Financial year end	31 March
31 March has been used for the company's year-end to align with the calendar quarters which is typical for Retailers in Australia.	
Effective interest in stated capital (2024: 30%)	30%
Principal activity	FMCG retail

Summarised Consolidated Statement of Financial Position of D & G Dream Finance Trust

	2025		2024	
	AU\$'000	P'000	AU\$'000	P'000
Non - current assets				
Investment in Class B of Seasons Supermarkets	9 032	81 559	9 032	77 618
Total non - current assets	9 032	81 559	9 032	77 618
Foreign currency translation		(2 192)		3 941
Net assets	9 032	79 367	9 032	81 559
Represented by:				
70% units (2024: 70% units) held by Unitrade Investments Australia Proprietary Limited	6 322	55 538	6 322	57 091
30% units (2024: 30% units) held by Sefalana Mauritius Proprietary Limited	2 710	23 829	2 710	24 469
	9 032	79 367	9 032	81 560

Grow Mine Africa (Proprietary) Limited

On 23 October 2017 Sefalana Holding Company Limited entered into a consortium arrangement whereby it holds 40% of the share capital of Grow Mine Africa (Proprietary) Limited. The business was set up for the sole purpose of submitting a tender for the Botswana National Lottery.

On 4 June 2020, the Gambling Authority declared its decision to award Grow Mine (Proprietary) Limited ("Grow Mine") as its Preferred Applicant in respect of the Botswana National Lottery. Following a series of unsuccessful negotiations with the Gambling Authority, Grow Mine's status as the Preferred Applicant was revoked on 26 July 2021. Sefalana's investment remains impaired at the reporting date.

The summarised results of this entity have not been presented on the basis that activities have not yet commenced at 27 April 2025.

Kgalagadi Soap Industries (Proprietary) Limited

As at reporting date in 2025 and 2024 the fair value and carrying value of the Group's interest in Kgalagadi Soap Industries (Proprietary) Limited was P nil following an impairment provision to reflect the potential realisable loss of its net investment in the assets of the business, including any loss incurred to date.

Kgalagadi Soap Industries (Proprietary) Limited is a private company and there is no quoted market price available for its shares. This business ceased its operations in May 2020. There are no contingent liabilities relating to the Group's interest in the associate.

The summarised results of this semi-dormant entity have not been presented on the basis that these are not material to the user of the financial statements.

Notes to the financial statements

For the 52 week period ended 27 April 2025 (continued)

18 INVESTMENT IN ASSOCIATES (continued)

	2025	2024
	P'000	P'000
Other information pertaining to the associate company include:		
Country of incorporation	Botswana	Botswana
Financial year end	30 April	30 April
Effective interest in stated capital at KSI Holdings (Proprietary) Limited level	50%	50%
Effective interest in stated capital at Sefalana Holding Company Limited level	25%	25%
Principal activity	Dormant	Dormant

19 INVESTMENT IN PREFERENCE SHARES

Group	2025	2024
	P'000	P'000
Fair value of investment in preference shares	201 112	
Fair value gain on initial recognition of conversion option	102 384	
Fair value at end of the year	303 496	

The Group entered into a Preference Share subscription agreement with UIH Investment Holdings (Proprietary) Limited ("UIH") effective 1 November 2024. UIH is a South African group in the FMCG sector, which operates a number of independent chains across the country. Its largest subsidiary company is Unitrade Management Services (Proprietary) Limited ("UMS / a "Buying Group") which services over 350 members in South Africa, Botswana and Lesotho. Sefalana has been a member of this Buying Group for a number of years and procures a significant proportion of its products through this entity for the Group's stores across the region. In this way it enjoys economies of scale in its procurement.

Under this Preference Share agreement, Sefalana earns a fixed annual return of 15% on the invested amount of R275 million for a one year period, at which time the preference shares at the Group's election, can either be redeemed at face value, or extended for a further year, or be converted to ordinary shares representing a 30% stake in UIH. The intended decision to be communicated to UIH by 31 July 2025. The Group has exercised its option to convert this investment into share capital effective 1 November 2025. This investment was financed using a bank debt facility issued by Stanbic Bank of Botswana Limited (refer to note 29).

The investment is assessed to be a financial instrument at fair value through profit or loss. The fair value has been remeasured at the reporting date and the remeasurement gain was not materially different to the fair value gain at initial recognition.

The fair value of the preference share investment was determined by the Group in accordance with IFRS 9 - Financial Instruments, Fair value measurements, using the Discounted Cash Flow Method and is based on the business plans and forecasted cash flows of UIH. This was then corroborated using industry average price to earnings (P/E) ratios.

Notes to the financial statements

For the 52 week period ended 27 April 2025 (continued)

19 INVESTMENT IN PREFERENCE SHARES (continued)

The valuation is based on the following key inputs:

1. Earnings before interest, tax, depreciation and amortisation (EBITDA)
2. Expected rate of return
3. Interest rates
4. Inflation rates
5. Benchmark market information

The range of valuations based on reasonable sensitivities of each input is however, not considered material to the financial statements as a whole.

Input	Assumptions used in year-end valuation
Term end date	31 October 2025
Dividend pay-out policy	50%
PE minimum	4.8
PE maximum	6.1
South African inflation rate	3%
Discount rate	17%
EBITDA	Actual and forecast
Average Equity valuation	ZAR 1.4 billion

The most significant input in the model is EBITDA and the expected rate of return. For every 5% change in the average annual EBITDA the value of the instrument would change by P15 million, and for every 1% increase / decrease in the expected rate of return (discount rate), the value of the investment instrument would increase / (decrease) in the opposite direction by P30 million.

20 DEFERRED LEASE ASSETS

	2025	2024
	P'000	P'000
At beginning of year	4 931	4 606
Movement during the year	(1 068)	325
At end of year	3 863	4 931

Deferred lease assets relate to investment properties and deferred letting commission and represents the unamortised lease rentals arising from straight - lining of lease charges and unamortised letting commission over the lease term.

Notes to the financial statements

For the 52 week period ended 27 April 2025 (continued)

21 DEFERRED TAX ASSETS AND LIABILITIES

Deferred tax assets (liabilities) arise from the following:

	Accelerated tax depreciation	Revaluation of land and buildings	Inventory net realisable value adjustments	Other*	Total
	P'000	P'000	P'000	P'000	P'000
At 1 May 2023	(28 804)	(111 086)	32 068	20 323	(87 499)
Current year movement	(8 006)	2 113	2 292	484	(3 117)
Currency translation	(419)			(24)	(443)
Gain on revaluation of land and building included in Other Comprehensive Income		(7 024)			(7 024)
At 28 April 2024	(37 229)	(115 997)	34 360	20 783	(98 083)
At 29 April 2024	(37 229)	(115 997)	34 360	20 783	(98 083)
Current year movement	(14 619)	82	5 540	16 728	7 731
Currency translation	(431)				(431)
Gain on revaluation of land and building included in Other Comprehensive Income		(5 417)			(5 417)
At 27 April 2025	(52 279)	(121 332)	39 900	37 511	(96 200)

* includes tax asset arising from lease liability and accruals

	2025	2024
	P'000	P'000
Disclosed as:		
Deferred tax assets	35 454	29 680
Deferred tax liabilities	(131 654)	(127 763)
	(96 200)	(98 083)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Notes to the financial statements

For the 52 week period ended 27 April 2025 (continued)

22 NON - CONTROLLING INTEREST

KSI Holdings (Proprietary) Limited

The Group holds a 50% equity interest in KSI Holdings (Proprietary) Limited and controls the management and decision making function of the business based on an agreement between the shareholders. KSI Holdings (Proprietary) Limited controls a 100% equity interest in Refined Oil Products (Proprietary) Limited, a property company and 50% equity interest in Kgalagadi Soap Industries (Proprietary) Limited (Note 18).

Set out below are the summarised group results for KSI Holdings Proprietary Limited

Summarised Statement of Financial Position

	2025	2024
	P'000	P'000
Non - current assets		
Investment property	49 765	49 500
Total non - current assets	49 765	49 500
Current assets		
Cash and cash equivalents	65	28
Other current assets	1 647	1 726
Total current assets	1 712	1 754
Non-current liabilities		
Borrowings		(2 012)
Deferred tax	(1 362)	(1 623)
Total non-current liabilities	(1 362)	(3 635)
Current liabilities		
Financial liabilities	(1 928)	(1 931)
Other current liabilities	(1 416)	(1 410)
Total current liabilities	(3 344)	(3 341)
Net equity	46 771	44 278

Summarised Statement of Comprehensive Income

Revenue	3 915	3 397
Interest expense	(213)	(337)
Profit before tax	2 686	2 384
Income tax charge	(192)	(360)
Profit after tax	2 494	2 024
Share of profit at 50% (2024: 50%)	1 247	1 012

Notes to the financial statements

For the 52 week period ended 27 April 2025 (continued)

22 NON - CONTROLLING INTEREST (continued)

Level 55 (Proprietary) Limited

During the previous year, the Group set up a subsidiary company called Level 55 Proprietary Limited. The Group holds a 65% equity interest in this entity. This entity is in the business of supply and installation of shop fittings, kitchen and butchery equipment.

Set out below are the summarised group results for Level 55 Proprietary Limited.

Summarised Statement of Financial Position

	2025	2024
	P'000	P'000
Non - current assets		
Property, plant and equipment	2 195	2 140
Right of use assets	5 848	7 480
Other assets	166	104
Total non - current assets	8 209	9 724
Current assets		
Inventories	17 767	3 266
Trade and other receivable	15 661	21 829
Cash and cash equivalents	4 838	6 289
Total current assets	38 266	31 384
Non-current liabilities		
Lease liabilities	(4 995)	(6 456)
Total non-current liabilities	(4 995)	(6 456)
Current liabilities		
Trade and other payables	(5 310)	(8 413)
Other payable	(26 880)	(19 792)
Total current liabilities	(32 190)	(28 205)
Net equity	9 290	6 447

Notes to the financial statements

For the 52 week period ended 27 April 2025 (continued)

22 NON - CONTROLLING INTEREST (continued)

	2025	2024
	P'000	P'000
Summarised Statement of Comprehensive Income		
Revenue	67 853	17 292
Interest income	119	16
Interest expense	(7 558)	(1 057)
Profit before tax	3 627	159
Income tax charge	(784)	(35)
Total comprehensive loss for the year	2 843	124
Share of profit at 65% (2024: 65%)	1 848	81

Other information pertaining to subsidiary company include:

Country of incorporation	Botswana
Financial year end	30 April 2024
Effective interest in stated capital	65%
Principal activity	Supply and installation of shop fittings

Summary of the Group's non-controlling interests

		2025	2024
	% holding	P'000	P'000
Subsidiary company			
KSI Holdings Proprietary Limited	50%	23 385	22 139
Level 55 Proprietary Limited	35%	3 251	2 269
		26 636	24 408

Notes to the financial statements

For the 52 week period ended 27 April 2025 (continued)

	2025	2024
	P'000	P'000
23 INVENTORIES		
Purchased for resale	1 457 109	1 266 063
Finished goods	23 405	17 597
Raw materials	161 745	138 654
Work in progress	2 910	1 387
Less: inventory provisions	(157 706)	(143 492)
	1 487 463	1 280 209

The change in inventory provision as charged during the year, amounted to P14.2 million (2024: P1.0 million credit). Inventory written off during the year amounted to P nil (2024: P nil).

Inventory provisions include the allowance for slow-moving and obsolete retail inventory of P64.5 million (2024: P58.8 million), shrinkage provision of P13.9 million (2024: P10.4 million) and provision for inventory unit cost adjustments of P79.2 million (2024: P73.2 million).

24 TRADE AND OTHER RECEIVABLES

	2025	2024
	P'000	P'000
Trade receivables	310 055	244 951
Expected credit losses	(23 898)	(23 323)
	286 157	221 628
Prepayments	30 446	23 551
Advances	14 224	10 602
Dividend receivable on preference share investment	15 262	
VAT and other refund receivable	19 493	24 082
Other receivables	42 803	37 422
	408 385	317 285
Trade receivables		
Non-current portion	4 111	4 820
Current portion	404 274	312 465
	408 385	317 285

Non - current portion of P4.1 million (2024: P4.8 million) relates to outstanding lease payments due on vehicles sold on credit. Interest of P1.1 million (2024: P0.6 million) will be earned in future periods in respect of these vehicles.

Included in trade and other receivables are amounts due in foreign currencies being South African Rand, ZAR36.1 million (2024: ZAR8.6 million) which equates to P26.4 million (2024: P6.2 million), Namibian Dollar, N\$82.1 million (2024: N\$68.4 million) which equates to P 60.0 million (2024: P49.7 million) , United States Dollar, US\$ 0.2 million (2024: nil), which equates to P2.1 million (2024: nil), Zambian Kwacha, K0.4 million (2024: K0.3 million), which equates to P0.2 million (2024: P0.15 million), Australian Dollar, AUD 0.05 million (2024: AUD 0.7 million), which equates to P0.5 million (2024: P6.3 million) and Lesotho Loti, LSL92.9 million (2024: LSL84.8 million), which equates to P67.9 million (2024: P61.6 million).

Notes to the financial statements

For the 52 week period ended 27 April 2025 (continued)

24 TRADE AND OTHER RECEIVABLES (continued)

Exposure to credit risk

Trade receivables inherently expose the Group to credit risk, being the risk that the Group will incur financial loss if customers fail to make payments as they fall due. In order to mitigate the risk of financial loss from defaults, the Group only deals with reputable customers with consistent payment histories. Sufficient collateral or guarantees are also obtained when appropriate. Each customer is analysed individually for creditworthiness before terms and conditions are offered. Customer credit limits are in place and are reviewed and approved by credit management committees. The exposure to credit risk and the creditworthiness of customers is continuously monitored.

There have been no significant changes in the credit risk management policies and processes since the prior reporting period. Trade receivables comprise of retail customers, Government entities or parastatals, wholesale customers and tenants from retail and commercial properties. The trade receivables are spread across different revenue streams with no specific significant concentration of credit risk to a group of trade receivables.

A loss allowance is recognised for all trade receivables, in accordance with IFRS 9: Financial Instruments, and is monitored at the end of each reporting period. The Group measures the loss allowance for trade receivables by applying the simplified approach which is prescribed by IFRS 9. In accordance with this approach, the loss allowance on trade receivables is determined as the lifetime expected credit losses on trade receivables. These lifetime expected credit losses are estimated using a provision matrix, which is presented.

The expected loss rate per provision matrix has been developed by making use of past due default experience of debtors but also incorporates forward looking information (e.g. GDP) and general economic conditions of the industry as at the reporting date. The estimation techniques explained have been applied, as a result of the adoption of IFRS 9. Trade receivables were previously impaired only when there was objective evidence that the asset was impaired. The impairment was calculated as the difference between the carrying amount and the present value of the expected future cash flows.

The Group's historical credit loss experience (predominantly relating to retail customers, with other groups of customers not significantly contributing to loss risks) differs year on year based on the economic climate across the Region. This has an impact age profile of the receivables at each reporting date. The provision for credit losses is therefore based on past statistics without disaggregating into further risk profiles. The loss allowance provision is determined as follows:

Estimated credit loss allowance working for the year ended 27 April 2025

	Current	30 days	60 days	90 days	120 days plus	Total
Expected loss rate	2.28%	3.05%	5.48%	36.69%	54.55%	
Gross carrying amount (P'000)	149 380	99 269	25 221	20 500	15 685	310 055
Loss allowance (P'000)	3 410	3 029	1 381	7 522	8 556	23 898

Estimated credit loss allowance working for the year ended 28 April 2024

	Current	30 days	60 days	90 days	120 days plus	Total
Expected loss rate	2.78%	8.00%	23.08%	61.97%	45.62%	
Gross carrying amount (P'000)	188 020	27 110	5 845	6 072	17 904	244 951
Loss allowance (P'000)	5 227	2 169	1 349	6 410	8 168	23 323

Notes to the financial statements

For the 52 week period ended 27 April 2025 (continued)

	2025	2024
	P'000	P'000
24 TRADE AND OTHER RECEIVABLES (continued)		
Movement in allowances for expected credit losses:		
At start of the year	23 323	23 087
Expected credit losses recognised during the year	1 191	3 448
Amounts written off as uncollectible	(616)	(3 212)
At end of year	23 898	23 323
25 CASH AND CASH EQUIVALENTS		
Cash on hand	24 452	25 341
Bank balances	503 759	508 558
	528 211	533 899
Cash and cash equivalents represented by:		
Cash on hand and bank balances	528 211	533 899
	528 211	533 899
26 NON - CURRENT ASSET HELD FOR SALE		
Asset classified as held for sale		6 000
At start of the year	6 000	
Additions during the year		4 741
Disposal	(6 000)	
Fair value gain		1 259
At end of year		6 000

Asset held for sale during the year relates to Tribal Lot 140, Ramotswa.

During the previous year, a portion of Lot 140, Ramotswa had been classified as held for sale. The Directors expected the sale of this property to be completed within the 12 months. As at the 2024 reporting date an agreement had been entered into with a third party for the sale of this property. The asset held for sale was recorded at its sale price which approximated to its fair value.

Notes to the financial statements

For the 52 week period ended 27 April 2025 (continued)

	2025	2024	2025	2024
	Number of shares	Number of shares	P'000	P'000
27 STATED CAPITAL				
Issued and fully paid				
At 28 April 2024	250 726 709	250 726 709	686 354	686 354
At 27 April 2025	250 726 709	250 726 709	686 354	686 354

The Company has one class of ordinary shares of no par value which carry no right to fixed income.

28 OTHER RESERVES

	Land and buildings revaluation	Currency translation	Total
	P'000	P'000	P'000
At 1 May 2023	323 466	(71 433)	252 033
Gain on revaluation of land and buildings (net of tax)	23 849		23 849
Reclassification of foreign currency translation to profit or loss		(1 981)	(1 981)
Currency translation differences and other movements		(1 208)	(1 208)
At 28 April 2024	347 315	(74 622)	272 693
At 29 April 2024	347 315	(74 622)	272 693
Gain on revaluation of land and buildings (net of tax)	19 972		19 972
Currency translation differences and other movements		(3 207)	(3 207)
At 27 April 2025	367 287	(77 829)	289 458

Land and buildings reserve relates to the revaluation of property, plant and equipment.

The currency translation reserve comprises differences arising from the translation of foreign denominated assets and liabilities to the reporting currency at the year end. These assets and liabilities relate to the Namibian, Lesotho, Mauritius and Zambian entities. The cumulative amount will be retransferred to profit or loss in the event that the net investment is disposed.

Foreign currency translation loss of P3.2 million in the prior year was in respect of the partial disposal of investment in associate and retranslation of foreign operations.

Foreign currency translation loss of P3.2 million in the current year was in respect of the retranslation of foreign operations.

Notes to the financial statements

For the 52 week period ended 27 April 2025 (continued)

	2025	2024
	P'000	P'000
29 LOANS AND BORROWINGS		
Long term portion	310 000	82 012
Current portion of loan	23 458	21 931
Bank overdraft	66 925	38 176
	400 383	142 119

Loans and borrowings include the following:

During the year the Group had entered into a P250 million term loan facility agreement with Stanbic Bank of Botswana Limited. The loan is fully drawn down at the year end. P200 million was utilised towards the investment in Preference Shares and P50 million was assigned to property developments. Corporate guarantee from the Company has been given as security for the loan.

The Group has complied with the financial covenants of its borrowing facilities during the year. The loan is repayable in 36 months with an option to extend for an additional 24 months upon request and the loan bears interest at bank's prime lending rate plus 1%.

The Group had entered into a P100 million facility arrangement with Botswana Insurance Fund Management Limited, with a draw-down period from March 2014 to May 2016. This facility, which is currently fully drawdown, will be repaid in five equal annual instalments of P20 million (2025 to 2029). Interest is charged at 8.1% per annum. This arrangement is being utilised to fund the Group's capital projects. The first repayment instalment was made in March 2025.

The Group has complied with the financial covenants of its borrowing facilities during the current and previous year.

A second term loan from First National Bank of Botswana Limited for P15 million bears interest at prime lending rate plus 0.85%, and is repayable over 120 months commencing October 2016. This loan is secured by a first Covering Mortgage Bond of P18 million over Plot 10247/50, Broadhurst Industrial, Gaborone, Botswana and by letter of suretyships from Sefalana Holding Company Limited and the minority shareholders of KSI Holdings (Proprietary) Limited.

The Group has taken a floor plan facility for P5 million from Wesbank a division of First National Bank of Botswana. The available facility as at end of current and prior year was P10 million and P5 million respectively and the facility bears interest of bank's prime lending rate plus 2.74%.

Bank overdrafts have been classified under loans and borrowings in accordance with Accounting Standard 1 - Presentation of Financial Statements. Bank overdrafts bears interest at bank's prime lending rate less 1.35% and are repayable on demand. Corporate guarantee from the Company has been given as security for the facility.

30 TRADE AND OTHER PAYABLES

Trade payables	894 600	829 871
Accrued expenses	35 903	46 313
Advances from customers	3 495	3 288
Other payables	25 697	39 896
Unclaimed dividends	3 376	2 900
VAT payable	9 548	11 335
	972 619	933 603

Included above are liabilities denominated in foreign currencies being ZAR251.3 million (2024: ZAR298.7million) which equates to P183.8 million (2024: P217.0 million), Namibian Dollar, N\$446.0million (2024: N\$413.9 million) which equates to P326.2 million (2024: P300.8 million), US\$ 1.0 million (2024: US\$ 0.1 million) which equates to P 13.8 million (2024: P 1.3 million), and Lesotho Loti, LSL88.6 million (2024: LSL79.0 million) which equates to P64.8million (2024: P57.5 million).

The average credit period for certain service cost liabilities is 30 days (2023: 30 days). Other payables are settled as and when they fall due. The Group has financial risk management policies in place to ensure that all payables are paid within the credit time frame.

Notes to the financial statements

For the 52 week period ended 27 April 2025 (continued)

	2025	2024
	P'000	P'000

31 FINANCIAL ASSETS BY CATEGORY

The accounting policies for financial instruments have been applied to financial assets and financial liabilities as applicable. Financial assets of the Group and Company are classified as follows:

Category - financial assets at fair value

Investment in preference shares	303 496	
Category - financial assets at amortised cost		
Trade and other receivables (excluding prepaid expenses)	358 446	269 652
Amounts held in money market funds	76 287	188 869
Cash and cash equivalents	528 211	533 899
	1 266 440	992 420

32 FINANCIAL LIABILITIES BY CATEGORY

The accounting policies for financial instruments have been applied to financial assets and financial liabilities as applicable. Financial liabilities of the Group and Company are classified as follows:

Category - financial liabilities at amortised cost

Trade and other payables	963 071	922 268
Loans and borrowings	333 458	103 943
Lease obligations	259 899	197 503
Bank overdrafts	66 925	38 176
	1 623 353	1 261 890

Notes to the financial statements

For the 52 week period ended 27 April 2025 (continued)

33 SHORT TERM BANKING FACILITIES

The short term banking facilities of the Group are presented below. The term loan facilities available to the Group are detailed in note 38.

Banker	Facility	Currency	Limit in foreign currency	Limit in equivalent reporting currency (P)
First National Bank of Botswana Limited	Overdraft	P	N/A	130.0 million
	Letters of credits	USD	0.3 million	3.4 million
	Guarantee	P	N/A	125.6 million
Standard Bank Namibia Limited	Overdraft	N\$	30.0 million	21.9 million
Standard Bank Lesotho Limited	Overdraft	LSL	20.0 million	14.6 million
Wesbank (a division of First National Bank of Botswana Limited)	Vehicles and equipment floor plan	P	N/A	10.0 million

There are cross suretyships between companies within the same Group proportionate to shareholdings.

The Group's unutilised facilities at the end of the year is equivalent to approximately P156 million (2024: P114 million).

34 CONTRACT LIABILITIES

	Maintenance service plan	Customer loyalties	Total
	P'000	P'000	P'000
At 1 May 2023	1 851	13 986	15 837
Revenue recognised	(1 368)	(17 639)	(19 007)
Payments received in advance against performance obligations / liabilities accrued		19 714	19 714
At 28 April 2024	483	16 061	16 544
At 29 April 2024	483	16 061	16 544
Revenue recognised	(60)	(19 986)	(20 046)
Payments received in advance against performance obligations / liabilities accrued	71	15 630	15 701
At 27 April 2025	494	11 705	12 199

Maintenance Service Plan

Revenue relating to maintenance services is recognised over time. The customer pays up front in full for these services resulting in a contract liability being recognised for revenue relating to the maintenance services at the time of the initial sales transaction. The liability is recognised as revenue over the service period.

Customer Loyalties

The Sefalana Cash and Carry Limited loyalty program, Sefalana Rewards enables customers to purchase goods in future at a discounted price. The cardholder cannot redeem points without future purchases. The above contract liability relates to un-redeemed points at any given time.

Notes to the financial statements

For the 52 week period ended 27 April 2025 (continued)

35 ACCRUALS

	Accruals for employee benefits
	P'000
At 1 May 2023	99 261
Currency translation	171
Arising during the year	65 672
Utilised during the year	(71 619)
At 28 April 2024	93 485
At 29 April 2024	93 485
Currency translation	142
Arising during the year	84 098
Utilised during the year	(59 492)
At 27 April 2025	118 233

Accruals for employee benefits represents incentives, annual leave and severance benefit entitlements as applicable.

36 OPERATING LEASE ARRANGEMENTS

Group as lessor

Operating leases relate to property owned by the Group with lease terms of between 12 months to 10 years, with an option to extend for a further negotiated period. All operating lease agreements contain market review clauses in the event that the lessee exercises its option to renew.

No lessee has an option to purchase the property at the expiry of the lease period.

	2025	2024
	P'000	P'000
Maturity analysis of amounts receivable under operating leases:		
Within one year	18 955	19 520
Within two to five years		32 368
	18 955	51 888

Notes to the financial statements

For the 52 week period ended 27 April 2025 (continued)

37 RETIREMENT BENEFIT ASSETS

Up until 30 September 2010, the Group operated two defined contribution retirement benefit plans, namely:

- a) the Sefalana Pension Fund: Members of this Fund were the qualifying employees of Sefalana Holding Company Limited and Foods Botswana; and
- b) the Sefcash Retirement Fund: Members of this Fund were the qualifying employees of Sefalana Cash and Carry Limited.

Effective from 1 October 2010 the Sefalana Pension Fund and the Sefcash Retirement Fund were amalgamated to form the Sefalana Group Staff Pension Fund.

The assets of these pension funds are held separately from those of the Group's businesses, in funds under the control of respective Board of Trustees represented equally by representative of employers and members, and have operated as one Fund since 1 October 2010.

The administration of the Fund was managed by an independent professional body, Fiducia Services (Proprietary) Limited.

The Sefalana Pension Fund converted from a defined benefit plan to a defined contribution plan during 2004. Upon this conversion a portion of the surplus of Fund assets over the Fund's liability to members was distributed into an Employer Reserve. This was available to be utilised solely for employer contributions into the members' pension credits in lieu of cash contributions, for the approximately 60 members in the Fund at that time.

This Employer Reserve, which shares in the returns of underlying Fund assets, will continue to exist in the amalgamated Fund, and under rules for this amalgamated Fund, and was utilised to fund employer contributions to the pension Fund, and to meet certain other expenses of the amalgamated Fund.

Details of the Fund, although not coterminous with the Group's financial year have been included in this annual report for information purposes only. The Funds year end is 31 January. The Directors and Trustees are comfortable that there has been no significant movement in the valuation of the Fund and its assets between 31 January and 30 April of respective financial years.

The amalgamated Fund had fully utilised the Employer Reserve available to the participating employers at both reporting periods. This reserve may at a later date receive a distribution from other Reserves under certain circumstances. This surplus would then be utilised once again to fund employer contributions to the Pension Fund as was previously the case.

	2025	2024
	P'000	P'000
Plan assets consist of the following at fair value		
Property occupied by the Group	60 700	60 600
Equity securities	43 569	47 731
Managed funds	424 719	343 997
Cash	10 441	5 864
Other assets	46	51
	539 475	458 243
Plan liabilities consist of the following:		
Payables	(6 606)	(8 270)
Net surplus	532 869	449 973
Represented by:		
Members Funds	495 288	413 238
Pensioners' Reserves	37 581	36 735
	532 869	449 973

Notes to the financial statements

For the 52 week period ended 27 April 2025 (continued)

38 FINANCIAL INSTRUMENTS

Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the relative debt and equity balance. The Group's overall strategy remains unchanged from prior years. The capital structure of the Group consists of long term borrowings, bank overdrafts and equity attributable to equity holders of the parent.

Gearing ratio

The Board of Directors reviews the capital structure on an on - going basis. As part of this review, the Board considers the cost of capital and the risks associated with each class of capital. The Group aims to minimise net borrowings on a Group basis but will incur debt for expansion of operations where necessary. The Group has a target maximum gearing ratio of 20% determined as the proportion of net debt to equity. At the year end, the Group's cash and cash equivalents exceeded the borrowings from banks.

Net cash

	Note	2025	2024
		P'000	P'000
Loans and borrowings			
At beginning of the year		142 119	155 015
Movement in overdraft		28 749	(10 872)
Loan repayment		(22 014)	(2 024)
Interest accrual		1 529	
Increase in loans		250 000	
At end of the year	29	400 383	142 119
Cash and cash equivalents			
Cash and bank balance	25	528 211	533 899
Short term investments	43	76 287	188 869
		604 498	722 768
Net cash position		204 115	580 649

Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instruments are disclosed in note 3 to the financial statements.

Financial risk management objectives

The Group's Corporate Treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The Group's financial risk management policies are approved by the Board of Directors, which provide principles on foreign exchange risk, interest rate risk, credit risk, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by management on a continuous basis. The Group does not enter into or trade in financial instruments, including derivative financial instruments, for speculative purposes. The Corporate Treasury function reports quarterly to the Company's Board of Directors, an independent body that monitors risks and policies implemented to mitigate risk exposures.

Market risk

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The Group enters into forward foreign exchange contracts to hedge the exchange rate risk arising on the import of supplies throughout the Group. Market risk exposures in the prices of grain used by Foods (Botswana) (Proprietary) Limited are managed by securing contracts for bulk purchases of grain.

Notes to the financial statements

For the 52 week period ended 27 April 2025 (continued)

38 FINANCIAL INSTRUMENTS (continued)

Foreign currency risk management

The Group undertakes certain transactions denominated in foreign currencies resulting in exposures to exchange rate fluctuations. The most significant foreign exchange exposure arise from South African Rand denominated purchases of goods for the Trading - Consumer Goods and Manufacturing operating segments. These obligations are generally settled within 30 days of delivery of goods, thus limiting the Group's exposure. Furthermore, anticipated changes in foreign exchange rates are considered in the sales pricing of such goods.

The Trading - Other operating segment attracts exposure to foreign currency exchange risk to the Euro and United States Dollar through importation of vehicles and equipment from foreign suppliers. The Group manages these risks through securing appropriate deposits in the underlying currencies.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

	Assets 2025 000	Assets 2024 000	Liabilities 2025 000	Liabilities 2024 000
South African Rand (ZAR)	198 869	271 449	251 269	298 666
Namibian Dollar (N\$)	355 458	228 396	446 006	413 959
Lesotho Loti (LSL)	119 249	104 948	88 606	79 088
United States Dollars (US\$)	3 394	1 445	1 003	100
Zambian Kwacha (K)	38	20	1 843	
Euro (EUR)	85	700		
Australian Dollar (AUD)	71	820		
Pula equivalent	541 414	472 459	589 446	576 451

Foreign currency sensitivity analysis

The Group is exposed to the South African Rand, Namibian Dollar and Lesotho Loti through its regional buying and selling operations; the Euro, as a result of a holding deposits in that currency; United States Dollar through a long term borrowing facility and regional and international buying operations and Australian Dollar through FMCG operations in Australia. The following table details the Group's sensitivity to a 10% increase and decrease in the Pula against the relevant foreign currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year end for a 10% change in foreign currency rates. A positive number below indicates an increase in profit before tax and other equity where the Pula strengthens 10% against the relevant currency. For a 10% weakening of the Pula against the relevant currency, there would be an equal and opposite impact on the profit before tax and other equity.

	2025						2024					
	ZAR impact P'000	N\$ impact P'000	LSL impact P'000	USD impact P'000	EUR impact P'000	AUD impact P'000	ZAR impact P'000	N\$ impact P'000	LSL impact P'000	USD impact P'000	EUR impact P'000	AUD impact P'000
On liabilities:												
Loss if Pula weakens by 10%	(18 376)	(32 617)	(6 480)	(1 382)			(21 701)	(30 078)	(5 746)	(138)		
Profit if Pula strengthens by 10%	18 376	32 617	6 480	1 382			21 701	30 078	5 746	138		
On assets:												
Loss if Pula strengthens by 10%	(14 544)	(25 995)	(8 721)	(4 675)	(133)	(63)	(19 723)	(16 595)	(7 625)	(1 993)	(1 038)	(741)
Profit if Pula weakens by 10%	14 544	25 995	8 721	4 675	133	63	19 723	16 595	7 625	1 993	1 038	741

Notes to the financial statements

For the 52 week period ended 27 April 2025 (continued)

38 FINANCIAL INSTRUMENTS (continued)

Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long - term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The following tables detail the Group's remaining contractual maturity for its non - derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to repay the liability. The table includes both interest and principal cash flows.

Group			
	Less than 1 year	Between 2 - 5 years	Above 5 years
	P'000	P'000	P'000
At 28 April 2024:			
Trade and other payables	922 268		
Loans and borrowings	30 031	100 580	
Lease obligations	81 502	136 592	3 259
Bank overdraft	38 176		
Total	1 071 977	237 172	3 259
At 27 April 2025:			
Trade and other payables	963 071		
Loans and borrowings	51 863	399 720	
Lease obligations	93 251	192 879	21 809
Bank overdraft	66 925		
Total	1 175 110	592 599	21 809
		2025	2024
		P'000	P'000
The Group has unused banking facilities available at the reporting date as follows:			
Overdraft		99 640	75 976
Wesbank floor plan		10 000	10 000
Letters of credit and guarantee		46 153	26 700

The Group will finance cash flows to settle the above obligations through utilisation of unused banking facilities and future operating cash flows.

Interest rate risk management

The Group is exposed to interest rate risk as entities in the Group borrow funds at floating interest rates. The Group's exposure to interest rates on financial assets and financial liabilities is detailed in the liquidity risk management section of this note.

Interest rate sensitivity analysis

The sensitivity analysis has been determined based on the exposure of financial instruments to interest rates at the reporting date. For floating rate liabilities denominated in the reporting currency, the analysis is prepared assuming the amount of liability outstanding at the reporting date was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher / lower and all other variables were held constant, the Group's profit after tax for the year ended April 2025 would decrease / increase by P2 005 000 (2024: decrease / increase by P1 165 000).

Notes to the financial statements

For the 52 week period ended 27 April 2025 (continued)

38 FINANCIAL INSTRUMENTS (continued)

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group only transacts with entities that are rated the equivalent of investment grade and above. The Group uses publicly available financial information and its own trading records to rate its major customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved.

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. On - going credit evaluation is performed on the financial condition of accounts receivable.

The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The Group defines counterparties as having similar characteristics if they are related entities. Concentration of credit risk did not exceed 5% of gross monetary assets at any time during the year. The credit risk on liquid funds is limited because the counterparties are banks with high credit - ratings assigned by international credit - rating agencies.

The carrying amount of financial assets recorded in the financial statements is net of impairment losses and represents the Group's maximum exposure to credit risk.

Financial assets exposed to credit risk at end of year

	2025	2024
	P'000	P'000
Trade and other receivables (excluding prepaid expenses)	358 446	269 652
Short term investments		
BIFM Unit Trusts (Proprietary) Limited	3 828	178 254
Morula Capital Fund		10 729
Stanbic Bank Botswana Limited	72 459	
Bank and short term deposits with:		
Absa Bank of Botswana Limited	5 828	3 895
Bank Windhoek Limited	1 425	267
First Capital Bank of Botswana Limited	99	75
First National Bank of Botswana Limited	237 101	319 148
First National Bank of Namibia Limited	40 661	
First National Bank of South Africa Limited	33 053	55 608
Nedbank Namibia Limited	3 689	2 484
Nedbank Lesotho Limited	117	2 674
Standard Bank Lesotho Limited	18 914	9 085
Stanbic Bank Botswana Limited	4 482	7 609
Standard Chartered Bank Botswana Limited	20 027	11 564
Standard Bank Namibia Limited	132 288	91 012
Standard Bank Mauritius	2 193	3 562
Zambia National Commercial Bank, Lusaka, Zambia	3 881	2 674
	938 491	968 292

There are no credit ratings applicable to Banks specifically operating across the territories in which we operate. All commercial banks are regulated by the Central Banks of the relevant countries and are compliant with the capital and liquidity requirements.

Notes to the financial statements

For the 52 week period ended 27 April 2025 (continued)

39 CONTINGENT LIABILITIES

- a) Pending litigations against the companies within the Group are summarised below:

	Number of cases pending	Approximate claim value	Number of cases pending	Approximate claim value
	2025		2024	
		P'000		P'000
Commercial Motors (Proprietary) Limited	3	3 815	2	2 413
Foods Botswana (Proprietary) Limited	1	39	1	39
Sefalana Trading (Proprietary) Limited	1	6 539	1	6 539
Meybeernick Investments (Proprietary) Limited	1	1 350	1	1 350
Sefalana Cash and Carry Limited	2	3 610	1	3 061
Sefalana Holding Company Limited *	1	6 635		

* Matter settled in September 2025 with full recovery by the Group.

- b) Bank guarantees issued in the ordinary course of business are as stated below and are in place to facilitate supply of products and services to the respective entities within the Group.

	Currency	Amount	Currency	Amount
		'000		'000
Commercial Motors (Proprietary) Limited	P	225	P	225
Foods Botswana (Proprietary) Limited	P	19 916	P	19 916
Level 55 (Proprietary) Limited	P	1 200	P	1 200
Mechanised Farming (Proprietary) Limited	P	164	P	164
Meybeernick Investments (Proprietary) Limited	P	563	P	563
Sefalana Cash and Carry Limited	P	60 097	P	60 097
Sefalana Holding Company Limited	P	206	P	206
Turnbridge Projects (Proprietary) Limited	P	300		

- c) Assets mortgaged by the Group companies for various banking facilities are as stated in notes 16 and 29.
- d) Sefalana Holding Company Limited and its subsidiaries have issued letters of suretyships to support various banking facilities enjoyed by the companies within the Group.

Notes to the financial statements

For the 52 week period ended 27 April 2025 (continued)

	2025	2024
	P'000	P'000
40 CAPITAL COMMITMENTS		
Capital expenditures approved by the Directors:		
Contracted for		14 763
Not contracted for	167 368	364 499
	167 368	379 262

The Group will procure third party financing for the major capital commitments before they are incepted.

41 RELATED PARTY BALANCES AND TRANSACTIONS

	2025	2024
	P'000	P'000

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note. Transactions between the Group and its associates are disclosed below.

Amount due from related party / affiliate (common directorship)

UIH Investment Holdings (Proprietary) Limited - preference share dividend (Note 24)	15 262	
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Dividend on preference shares from related party / affiliate

UIH Investment Holdings (Proprietary) Limited (note 7)	15 262	
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Rent paid

Sefalana Group Staff Pension Fund	6 846	7 169
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Contribution to pension fund

Sefalana Group Staff Pension Fund	16 226	14 438
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Deposit held with related party

Morula Capital Fund		10 729
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Refer to note 18 for investment in associate and related loan receivable.

Notes to the financial statements

For the 52 week period ended 27 April 2025 (continued)

42 GOING CONCERN ASSESSMENT

Based on the Group's level of profitability, its significant net asset position and its strong cash flows, the Directors consider the Group a going concern.

43 SHORT TERM INVESTMENTS

	2025	2024
	P'000	P'000
Money market funds and short term fixed deposits	76 287	188 869

Money market funds are short term deposits held with institutions, earning interest of between 6% and 12% annually. These funds are accessible to the company with 24 hours' notice in case of money market funds and upon the maturity of the short term deposits.

44 SUBSEQUENT EVENTS

In July 2025, the Group exercised its option to convert its preference share investment into a 30% equity stake in UIH Investment Holdings (Proprietary) Limited in South Africa. The effective date for this conversion is 1 November 2025. From that date onwards this instrument will be recorded at fair value as an investment in associate company where the Group will exert significant influence.

Notes

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of Sefalana Holding Company Limited will be held at the Head Office of the company, Plot 10038, Corner of Nelson Mandela Drive and Kubu Road, Broadhurst Industrial Site, Gaborone on Friday 31 October 2025 at 16H00 for the purpose of transacting the following business:

Ordinary business

- 1. Ordinary Resolution 1:**
To adopt the Notice and Agenda of the meeting.
- 2. Special Resolution 1:**
To approve the amendment to the Constitution of the Company as detailed on page 280 of the Annual Report.
- 3. Ordinary Resolution 2:**
To receive, consider and adopt the Group's audited consolidated financial statements for the 52-week period ended 27 April 2025 together with the Directors' and Auditor's reports thereon.
- 4. Ordinary Resolution 3:**
To ratify the dividends declared and paid during the period being an interim gross dividend of 12 thebe per ordinary share paid to Shareholders in February 2025, and the final gross dividend of 38 thebe per ordinary share paid to Shareholders in August 2025.
- 5. Ordinary Resolution 4:**
To approve the remuneration of the Auditor for the 52-week period ended 27 April 2025 as disclosed in note 11 of the financial statements.
- 6. Ordinary Resolution 5:**
To approve the re-appointment of PricewaterhouseCoopers, as Auditor for the ensuing financial year.
- 7. Ordinary Resolution 6:**
To re-elect Mr. Mahube Mpugwa who retires by rotation, in accordance with the Constitution, and being eligible, offers himself for re-election.
- 8. Ordinary Resolution 7:**
To approve the remuneration of the Non-Executive Directors, as set out on pages 140 and 141 of the 2025 Annual Report.
- 9. Non-binding advisory vote 1, on Executive Remuneration**
In accordance with good corporate governance practice, the remuneration of the Executive Directors as set out on page 141 of the 2025 Annual Report is put forward for consideration by Shareholders.
- 10. Matters for noting**
To note the retirement of Ms. Paula Disberry who retires in accordance with the Constitution, with effect from 31 October 2025.
- 11. Any Other Business**
To transact such other business as may be transacted at an Annual General Meeting.

Consideration and approval of an amendment to the Constitution of Sefalana Holding Company

Non-Executive Director (NED) Remuneration

1. In line with international best practice, Sefalana proposes to amend its Constitution at Clause 23: Director's Remuneration, by renumbering the current Clause 23.1 as 23.1(a) and inserting a new sub-clause (b) to provide for the annual consideration and approval of Non-Executive Director Remuneration, by Ordinary Resolution at the Annual General Meeting of the Company.
2. Shareholders are requested to consider and approve the remuneration for the NEDs by ordinary resolution.
3. The Non-Executive Director's remuneration since 1 May 2024 is set out below, together with the proposed NED Remuneration effective 1 May 2025.

	Board Chair Monthly Retainer	NED monthly retainer	Sitting fee	Sitting fee for Chair of Sub-Committee
Effective 1 May 2024 (P)	38 500	12 720	16 000	17 500
Effective 1 May 2025 (P)	40 000	15 000	18 000	22 000

The fees for the Chair of the Audit Committee for the year effective 1 May 2024 were set at P18,500 per sitting to reflect the length of the meetings and the complexity of the committee matters.

Effective 1 May 2025, the fees for the Chair of the Audit Committee were increased to P28,000 and the retainer fee for the Lead Independent Director was set at P20,250, both in line with the recommendations of a third-party report.

4. The NED remuneration effective 1 May 2025 will remain effective until 31 December 2026 (for 20 months). Any change to be proposed effective 1 January 2027 will be proposed for consideration and approval at the Annual General Meeting in October 2026.
5. Kindly find below the extract of clause 23 of the Constitution, with the proposed amendment, in red font.

Extract of the Sefalana Holding Company Constitution

23. DIRECTORS' REMUNERATION

23.1 Authorisation

- (a) The Board may, exercise the power conferred by the Act to authorise remuneration and other benefits to and for Directors, in accordance with the parameters of the Company's Remuneration Policy.
- (b) Notwithstanding paragraph (a), the remuneration of Non-Executive Directors shall be tabled annually at the Company's Annual General Meeting for consideration and approval by the Shareholders by ordinary resolution.

23.2 Expenses

Each Director is entitled to be paid for all reasonable travelling, accommodation and other expenses incurred by the Director in connection with the Director's attendance at meetings or otherwise in connection with the Company's business.

23.3 Special remuneration

Without limiting clause 24.1, but subject to any applicable Listing Rules relating to transactions with related parties, the Board may authorise special remuneration to any Director who is or has been engaged by the Company or a Subsidiary to carry out any work or perform any services which is not in the capacity of a director of the Company or a Subsidiary.

23.4 Payments to Directors upon cessation of office

- (a) The Company may make a payment to a Director or former Director, or his or her dependents, by way of a lump sum or pension, upon or in connection with retirement from office of that Director, only if the payment is authorised by an ordinary resolution of shareholders of the Company.
- (b) Nothing in this clause affects any amount paid to an executive Director upon or in connection with the termination of his or her employment with the Company, or the payment of any amount attributable to the contribution (or any related normal subsidy) made by a Director to the Company's superannuation scheme.

Voting and Proxies

A member entitled to attend and vote at the above-mentioned meeting is entitled to appoint a proxy to attend and speak and, on a poll, to vote in his / her/ its stead. A proxy need not be a member of the Company.

Proxy forms must be deposited or received at **Sefalana Head Office, Plot 10038, Corner of Nelson Mandela Drive and Kubu Road, Broadhurst Industrial Site, Private Bag 0080, Gaborone**, or via email to **companysecretary@sefalana.com** and **investors@sefalana.com** not less than 48 hours before the meeting.

Meeting Procedures

Shareholders who wish to attend and participate are requested to provide details to the Group Company Secretary, as per participation form below. For administration purposes Shareholders are requested to submit the participation form no later than **Monday 27 October 2025**. Please note that each AGM participant will be verified. Shareholders who wish to attend by lodging a proxy need not complete the Participation form.

Please complete the Participation form and email it to **companysecretary@sefalana.com** and **investors@sefalana.com**

PARTICIPATION FORM

Name of registered Shareholder	
Omang/ID/Company Number	
Shareholders CSD account number/ broker account number/custodian account number	
Name of Broker where shares are not dematerialized	
Number of shares held	
Email address of the Shareholder	

By order of the board

Joanne Robinson
Group Company Secretary
30 September 2025

Form of Proxy

For completion by holders of ordinary shares

PLEASE READ THE NOTES OVERLEAF BEFORE COMPLETING THIS FORM.

For use at the Annual General Meeting of ordinary shareholders of Sefalana Holding Company Limited to be held at Sefalana Holding Company Limited, Plot 10038, Corner of Nelson Mandela Drive and Kubu Road, Broadhurst Industrial Site, Gaborone on Friday 31 October 2025 at 16H00.

I/We

(name/s in block letters)

of

(address)

Appoint (see note 1):

1. _____ or failing him / her, _____
2. _____ or failing him / her, _____
3. the Chair of the Meeting, _____

as my / our proxy to act for me / us at the General Meeting which will be held for the purpose of considering and if deemed fit, passing, with or without modification, the resolutions to be proposed thereat and at each adjournment thereof, and to vote for or against the resolutions and / or abstain from voting in respect of the ordinary shares registered in my / our name in accordance with the following instructions (see note 2):

Number of ordinary shares:				
		For	Against	Abstain
1	Ordinary Resolution number 1			
2	Special Resolution number 1			
3	Ordinary Resolution number 2			
4	Ordinary Resolution number 3			
5	Ordinary Resolution number 4			
6	Ordinary Resolution number 5			
7	Ordinary Resolution number 6			
8	Ordinary Resolution number 7			
9	Non-binding advisory vote 1			

Signed at

on

2025

Signature

Assisted by (where applicable)

Each Shareholder is entitled to appoint one or more proxies (who need not be member/s of the company) to attend, speak and vote in place of that shareholder at the General Meeting.

Notes to Form of Proxy

Please read the accompanying notes.

- 1 A Shareholder may insert the names of two alternative proxies of the Shareholder's choice in the space provided, with or without deleting "the Chair of the General Meeting." The person whose name appears first on the form of proxy, and whose name has not been deleted will be entitled to act as proxy to the exclusion of those whose names follow.
- 2 A Shareholder's instructions to the proxy must be indicated by the insertion of the relevant number of votes exercisable by the Shareholder in the appropriate space provided. Failure to comply herewith will be deemed to authorise the proxy to vote at the General Meeting as he / she deems fit in respect of the Shareholder's votes exercisable thereat, but where the proxy is the Chair, failure to comply will be deemed to authorise the proxy to vote in favour of the resolution. A Shareholder or his / her / its proxy is obliged to use all the votes exercisable by the Shareholder or by his / her / its proxy.
- 3 The completion and lodging of this form will not preclude the relevant Shareholder from attending the General Meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof should such Shareholder wish to do so.
- 4 The Chair of the General Meeting may reject or accept any form of proxy not completed and / or received other than in accordance with these notes provided that she is satisfied as to the manner in which the Shareholder concerned wishes to vote.
- 5 An instrument of proxy shall be valid for the General Meeting as well as for any adjournment thereof, unless the contrary is stated thereon.
- 6 A vote given in accordance with the terms of a proxy shall be valid, notwithstanding the previous death or insanity of the Shareholder, or revocation of the proxy, or of the authority under which the proxy was executed, or the transfer of the Ordinary Shares in respect of which the proxy is given, provided that no intimation in writing of such death, insanity or revocation shall have been received by the Company not less than one hour before the commencement of the General Meeting or adjourned General Meeting at which the proxy is to be used.
- 7 The authority of a person signing the form of proxy under a power of attorney or on behalf of a Company must be attached to the form of proxy, unless the authority or full power of attorney has already been registered by the Company or the Transfer Secretaries.
- 8 Where Ordinary Shares are held jointly, all joint Shareholders must sign.
- 9 A minor must be assisted by his / her guardian, unless the relevant documents establishing his / her legal capacity are produced or have been registered by the Company.
- 10 Proxy forms must be received either at the Registered office at **Plot 10038, corner of Nelson Mandela Drive and Kubu Road, Broadhurst Industrial Site, Private Bag 0080, Gaborone** or via email to **companysecretary@sefalana.com** and **investors@sefalana.com**.

Botswana

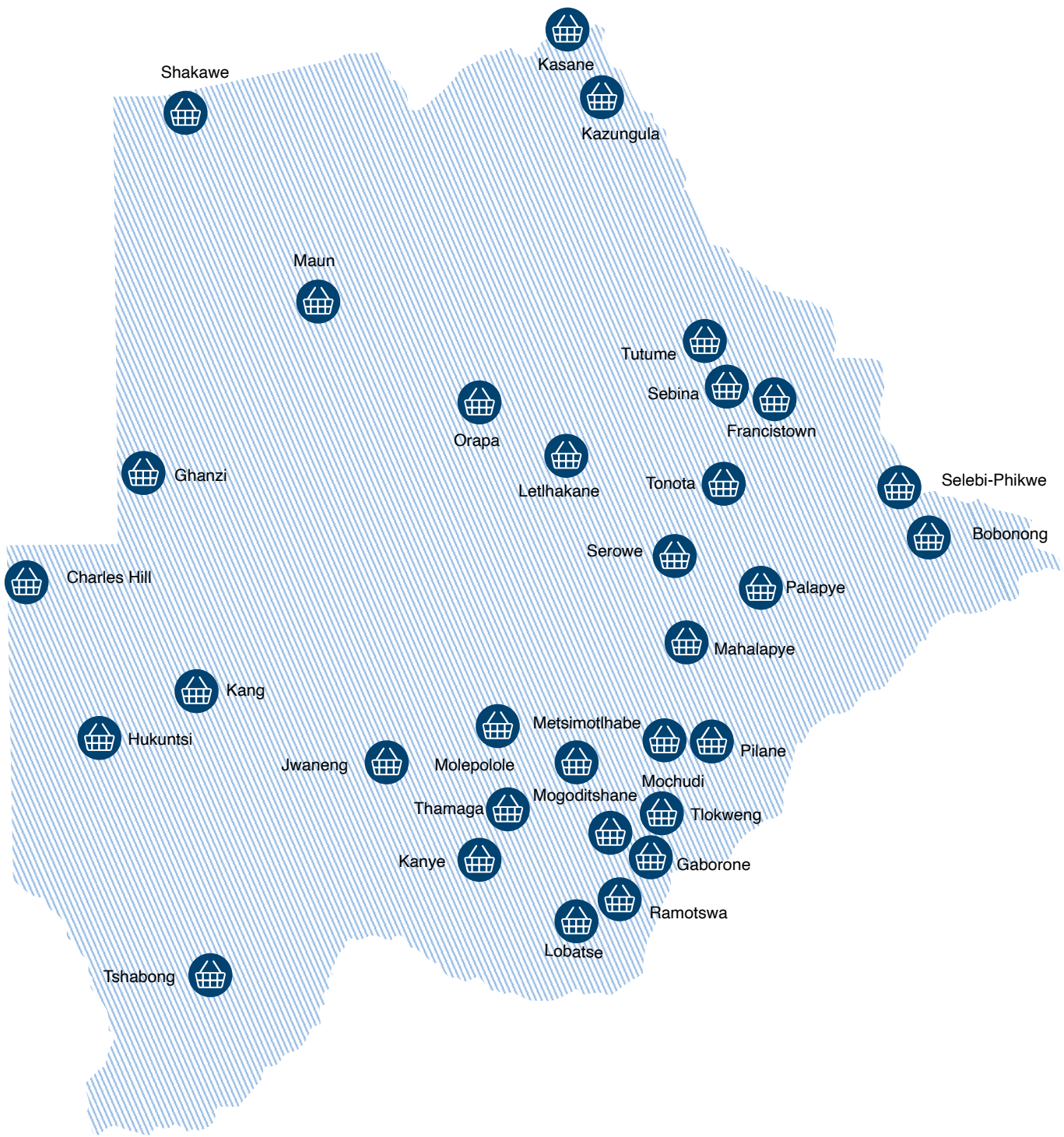
SEFALANA GROUP CONTACT DETAILS				
Branch	Postal Address	Physical Address	Telephone	Fax
SEFALANA GROUP COMPANY HEAD OFFICES				
Sefalana Holding Company Limited	Private Bag 0080, Gaborone	Plot 10038, Broadhurst, Gaborone	3913-661	3907-614
Sefalana Cash and Carry Limited	Private Bag 00422, Gaborone	Plot 10038, Broadhurst, Gaborone	3681-700	3907-614
Meybeernick Investments (Pty) Limited	Private Bag 0080, Gaborone	Plot 10038, Broadhurst, Gaborone	3913-661	3907-614
Foods Botswana (Pty) Limited - Milling	P O Box 1131, Serowe	Plot 98, Newtown, Serowe	4630-268	4630-965
Foods Botswana (Pty) Limited - Beverages	Private Bag 1403 AAD, Gaborone	Plot 25433, Block 3 Industrial, Gaborone	3913-056	3913-057
Commercial Motors (Pty) Limited	P O Box: 2276, Gaborone	Plot 5664, Broadhurst, Gaborone	3952-652	3952-643
Mechanised Farming (Pty) Limited	P O Box: 2276, Gaborone	Plot 10243, Broadhurst, Gaborone	3974-336	3959-086
Kgalagadi Soap Industries (Pty) Limited	Private Bag BR 33, Gaborone	Plot 10247/50, Broadhurst, Gaborone	3913-661	3973-590
Sefalana Fresh Produce	PO Box 47296, Gaborone	Plot # 31357/8, Gaborone North	3186-935	3186-987
Sefalana Catering	P/Bag 00422, Gaborone	Plot 1217, Ext. 6, Nkrumah Road	3911-800 / 3937-188	3937-189
SEFALANA HYPER STORES				
Gaborone Hyperstore	Private Bag 0075, Gaborone	Plot 20608/9, Ext. 34, Western ByPass	3973-866 / 3182-406	3932-487
Francistown Hyperstore	P O Box 61, Francistown	Plot 22053, Donga	2402-222 / 2402-235	2402-250
Mahalapye Hyperstore	P O Box 122, Mahalapye	Botlaote Ward	4710-452 / 4710-356	4710-591
Mogoditshane Hyperstore	P/Bag 00422 Gaborone	Plot 5512, Mogoditshane	3186-300 / 3186-315	3186-316
Lethakane Hyper Store	P/Bag F43, Lethakane	Nkosho Ward	2978-770 / 2978-832	2976-221
Jwaneng Hyper Store	P O Box 792, Jwaneng	Plot 2303, Industrial Sites	5880-327 / 5880-953	5880-878
SEFALANA CASH & CARRY STORES				
Bobonong Cash & Carry	P O Box 1240, Bobonong	Sebaila Ward	2629-555 / 2629-555	2629-542
Broadhurst Cash & Carry	P O Box 1066, Gaborone	Plot 10038, Ext. 16, Kubu Road	3912-361 / 3975-760	3973-093
Charleshill Cash & Carry	P O Box 197, Charleshill	Plots 6/7/8, Main Street	6592-225 / 6592-223	6592-224
Francistown Cash & Carry	P O Box 10444, Tatitown	Plot 6146, Sam Nujoma Road. Light Indus Area, Francistown	2412-161 / 2414-404	2412-151
Gaborone West Cash & Carry	P O Box 269, Gaborone	Plot 1217, Ext. 6, Nkrumah Road	3953-241 / 3914-964	3952-058
Hukuntsi Cash & Carry	P O Box 405, Hukuntsi	Plot 71, Mogobelelo Ward, Main Road	6510-206 / 6510-206	6510-049
Kang Cash & Carry	Private Bag 9, Kang	Plot 35, Gamonyemana Ward	6518-114 / 6517-400	6517-044
Kanye Cash & Carry	Private Bag MH4, Kanye	Plot 771, Mafhikana Ward	5440-160 / 5440-912	5440-484
Kasane Cash & Carry	Private Bag K11, Kasane	Plot 732/733/734, Kazungula Main Rd	6250-248 / 6250-311	6250-195
Lobatse Cash & Carry	P O Box 11189, Lobatse	Plot 336, Mokgosi Avenue	5332-588 / 5330-815	5306-781
Maun Cash & Carry	P O Box 426, Maun	Plot 15, Nthayagodimo Ward	6860-936 / 6862-530	6860-566
Molepolole Cash & Carry	P O Box 1436, Molepolole	Thamaga Road, Industrial Site	5920-404 / 5921-070	5921-600
Palapye (New) Cash & Carry	Private Bag 87, Palapye	Plots 343/344, New Industrial Site	4920-013 / 4921-180	4920-019
Palapye (Old) Cash & Carry	P O Box 173, Palapye	Plots 6/7/29, Old Industrial Site	4920-273 / 4921-617	4920-402
Pilane Cash & Carry	Private Bag 20, Mochudi	Plot 200, Industrial Site	5729-500 / 5729-132	5729-772
Ramotswa Cash & Carry	Private Bag 00422, Gaborone	Plot 106, Ramotswa Station, Taung	5391-955 / 5391-923	5391-964
Serowe Cash & Carry	P O Box 139, Serowe	Rasebolai Drive, Mere Ward, Swaneng	4630-315 / 4633-679	4630-848
Selebi-Phikwe Cash & Carry	P O Box 21, Selebi Phikwe	Plot 12385, Industrial Site	2610-711 / 2611-381	2611-052
Thamaga Cash & Carry	P/Bag 00422, Gaborone	Plot 130, Marang Ward	5999-117 / 5999-398	5999-397
Tonota Cash & Carry	P O Box 182, Shashe	Plot 23, Semotswane Ward, Shashe	2480-193 / 2480-193	2480-192
Tsabong Cash & Carry	P/Bag 0027, Tsabong	Plot 538, Ikageng Ward	6540-077 / 6540-077	6540-850
Tutume Cash & Carry	P O Box 340, Tutume	Magapaton Ward	2987-826 / 2987-828	2987-825
DISTRIBUTION CENTRES				
Capital Tobacco	Private Bag 00422, Gaborone	Plot 1217, Ext. 6, Nkrumah Road	3911-800 / 3937-188	3937-189
Gaborone Distribution Centre	P/Bag 00422, Gaborone	Plot 1217, Ext. 6, Nkrumah Road	3911-800 / 3937-188	3937-189
Lethakane Shopper Distribution Centre	Private Bag 00422, Gaborone	Plot 150/C374, Industrial Lethakane	76000-650	
Maun Shopper Distribution Centre	Private Bag 00422, Gaborone	Plot 15, Nthayagodimo Ward, Maun	76000-644	
Palapye Shopper Distribution Centre	Private Bag 00422, Gaborone	Plots 6/7/29, Old Industrial Site, Palapye	492-409	
SEFALANA SHOPPER "The BIG One" STORES				
Shopper Molapo "The BIG One"	P/Bag 00422, Gaborone	Plot 54463, Gaborone	3166-028	316-6005
Shopper Setlhoa "The BIG One"	P/Bag 00422, Gaborone	Plot 77806, Setlhoa Village	3910-119 / 3910-515	3910-423

SEFALANA SHOPPER STORES

Branch	Postal Address	Physical Address	Telephone	Fax
Broadhurst Quick Caltex	P O Box: 2276, Gaborone	Plot 5664, Broadhurst, Gaborone	3911-231	3911-231
Broadhurst Shopper Abes	P/Bag 00422, Gaborone	Plot 10032, Ext. 20, Broadhurst	3937-043 / 3191-912	3937-041
BBS Mall Quick	P/Bag 00422, Gaborone	Plot 17533, Portion 1349, Gaborone	318-0058	
Charleshill Shopper & Liquor	P/Bag 00422, Gaborone	Plot 56, Charleshill shopping Centre	659 -7357	6597-285
Commerce Park Shopper	P/Bag 00422, Gaborone	Plot 177, International Commerce Park, Gaborone	396-0492 / 87	
Gaborone West Shopper	P/Bag 00422, Gaborone	Plot 17872, Phase 1, G-West	3187-606 / 7	3187-606
Ghanzi Shopper	P/Bag 00422, Gaborone	Shop # 1, Plot 32, Ghanzi	6597-192 / 6597189	6597-170
Hukuntsi Shopper & Liquor	P/Bag 00422, Gaborone	Macheng Mall, Unit G04a	6510-414	6510-412
Kanye 1 Shopper	P/Bag 00422, Gaborone	Plot 751, Main Road	5480-632	5480-631
Kanye 2 Shopper	P/Bag 00422, Gaborone	Mahube Mall, Tloung Ward	5443-702	5443-712
Kazungula Shopper & Liquor	P/Bag 00422, Gaborone	Tribal Plot 1461 - Duncan Plaza	6251-186 / 62511-87	6251-790
Lethakane 1 Shopper	P/Bag 45, Lethakane	Plot 1602, Tawana Ward	2976-277	2976-702
Lethakane 2 Shopper	P/Bag 00422, Gaborone	Tribal Plot 10408, Lethakane	2910-313	2910-312
Mahalapye # 1 Shopper	P/Bag 00422, Gaborone	Plot 3848, Botalaote Ward	4720-508	4720-505
Mahalapye # 2 Shopper	P/Bag 00422, Gaborone	Plot 1278, Main Mall	4720-485	4711-774
Maun # 1 Shopper	P/Bag 00422, Gaborone	Plot 1299, Old Mall, Riverside Ward	6863-305	6863-309
Maun # 2 Shopper	P/Bag 00422, Gaborone	Plot 11137, Boseja Ward	6864-784 / 6864-941	6864-926
Maun Shopper & Liquor	P/Bag 00422, Gaborone	Plot 11137, Boseja Ward	6864-017 / 6864-090	6864-082
Metsimothabe Shopper & Liquor	P/Bag 00422, Gaborone	Plot 65, Metsimothabe	3165-364 & 3165-368 (Liquor)	3165-369
Mochudi Shopper	P/Bag 00422, Gaborone	Plot 979, Rammpopyama Ward,	5777-510	5777-517
Mogoditshane Quick & Liquor	P/Bag 00422, Gaborone	Shop # 3, Plot 13779, Block 5	3182-757	3182-748
Mogoditshane Shopper Fourways	P/Bag 00422, Gaborone	Plot 36292, Mogoditshane	318-2757 / 47	318-2748
Molepolole Shopper	P/Bag 00422, Gaborone	Plot 1728, Borakalalao Ward	5910-550	5910-552
Nkoyaphiri Shopper	P/Bag 00422, Gaborone	Shop # 4, Plot 12011, Nkoyaphiri	3947-957 / 3947-961	3947-937
Orapa Shopper	P.O. Box 1217, Orapa	Unit 1, Sable Avenue, Orapa	2971-414 / 2970-268	2970-210
Palapye Shopper	P/Bag 00422, Gaborone	Lot 1077, Old Mall	4924-608 / 4924-609	4922-303
Puma FS & Quick Setlhoa	P/Bag 00422, Gaborone	Plot 77806, Setlhoa Village	3960-237	
Ramotswa Shopper	P/Bag 00422, Gaborone	Plot 15200, Ramotswa Village	3165-364 / 3165-368	5390-013
Sebina Shopper & Liquor	P/Bag 00422, Gaborone	Plot 796, Nznga Ward	2981-050 / 2981-057	298-1055
Selebi-Phikwe Shopper	P/Bag 00422, Gaborone	Plot 7062, Main Mall	2610-088 / 2610-000	2610-095
Shakawe Shopper	P/Bag 0422, Gaborone	Tribal Lot 1461	6875-203 / 6875-205	6875-204
Tlokweng Shopper	P/Bag 00422, Gaborone	Plot 8K0, Tlhakong Ward, Tlokweng; Shop #2	3104-961 / 3104-960	3104-962
Tlokweng Shopper & Liquor	P/Bag 00422, Gaborone	Plot 10009, Royal Aria	3164-280	3164-270
Tlokweng Quick 2	P/Bag 00422, Gaborone	Old Mall, Tribal Plots 158/159	3971-599	3971-598
Tsabong Shopper	P/Bag 00422, Gaborone	Plot 316, TM Complex, Mothupi Ward	6540-643	6540-637
Tonota Shopper & Liquor	P/Bag 00422, Gaborone	Plot 4594, Molebatsi Ward	2484-869 / 2484-870	2484-850
UB Shopper & Bakery	P/Bag 00422, Gaborone	Plot 4775, Ext.15, Student Centre [Unit 34]	3951-174	3907-095

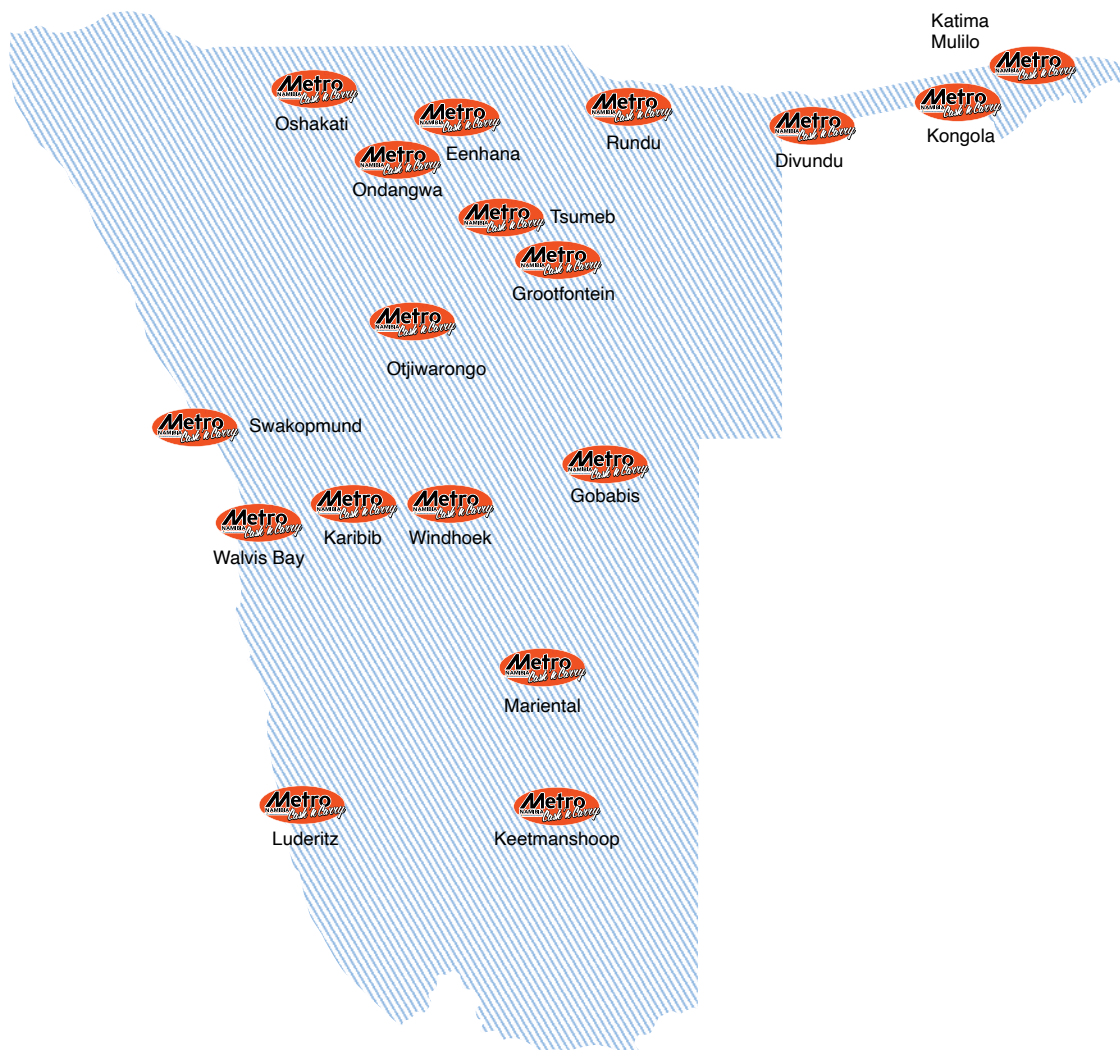
Botswana

SEFALANA LIQUOR STORES				
Branch	Postal Address	Physical Address	Telephone	Fax
Charleshill Shopper Liquor	Private Bag 00422, Gaborone	Plot 56, Charleshill Shopping Mall, Charleshill	6597357	6597285
Ghanzi Shopper Liquor	Private Bag 00422, Gaborone	Shop no. 1, Plot 32, Ghanzi	6597192 / 6597189	6597170
Gaborone Liquor, Block 5	P/Bag 00422, Gaborone	Plot 54615, Block 5, Gaborone	3969-931	
Gaborone Liquor, Block 8	P/Bag 00422, Gaborone	Plot 34969, Block 8, Gaborone	3924-399	
Hukuntsi Shopper Liquor	Private Bag 00422, Gaborone	Macheng Mall, G04a4b, Tribal Lot 158	6510416	6510412
Hukuntsi Cash & Carry Liquor	Private Bag 00422, Gaborone	Macheng Mall, G04a4b, Tribal Lot 158	6510-416	6510-412
Kazungula Shopper Liquor	Private Bag 00422, Gaborone	Plot 1461, Duncan Plaza, Kazungula	6521186 / 87	6252790
Jwaneng Liquor	P/Bag 00422, Gaborone	Unit 14, plot 3761, 5422, 5423	5880-362	
Maun Liquor	Private Bag 00422, Gaborone	Plot 11137, Boseja Ward	6864-017 / 6864-090	6864-082
Metsimotlhabe Liquor	Private Bag 00422, Gaborone	Plot 65, Metsimotlhabe	3165-364 / 3165-368	3165-369
Mogoditshane Liquor	Private Bag 00422, Gaborone	Shop no. 4, Plot 13779, Block 5	3182-747	3182-748
Mogoditshane Liquor, Block 2	P/Bag 00422, Gaborone	Plot 11956, Block 2, Mogoditshane	3960-269	
Mogoditshane Liquor, Block 4	P/Bag 00422, Gaborone	Plot 11838, Block 4 Mogoditshane	3969-047	
Nkoyaphiri Liquor	Private Bag 00422, Gaborone	Plot 12011, Nkoyaphiri, Mogoditshane	3947-957 / 61	3972-835
Orapa Liquor	Private Bag 00422, Gaborone	Unit 1, Sable Avenue, Orapa	2971414 / 2970268	2970210
Ramotswa Liquor	Private Bag 00422, Gaborone	Plot 796, Nznga Ward	5390054	
Sebina Shopper Liquor	Private Bag 00422, Gaborone	Plot 796, Nznga Ward	2981050 / 2981057	2981055
Setilhoa Liquor	Private Bag 00422, Gaborone	Plot 77806, Setilhoa Village, Gaborone	3163095	3910423
Shakawe Shopper Liquor	Private Bag 00422, Gaborone	Tribal Lot 1461	6875203 / 6875205	6875204
Tlokweng Liquor	Private Bag 00422, Gaborone	Plot 10009 Royal Aria, Tlokweng	3164-280	3164-270
Tonota Shopper Liquor	Private Bag 00422, Gaborone	Plot 4594, Molebatsi Ward	2484870	2484850
Tsabong Shopper Liquor	Private Bag 00422, Gaborone	Plot 316, Mothupi Ward, TM Complex	6540643	6540637



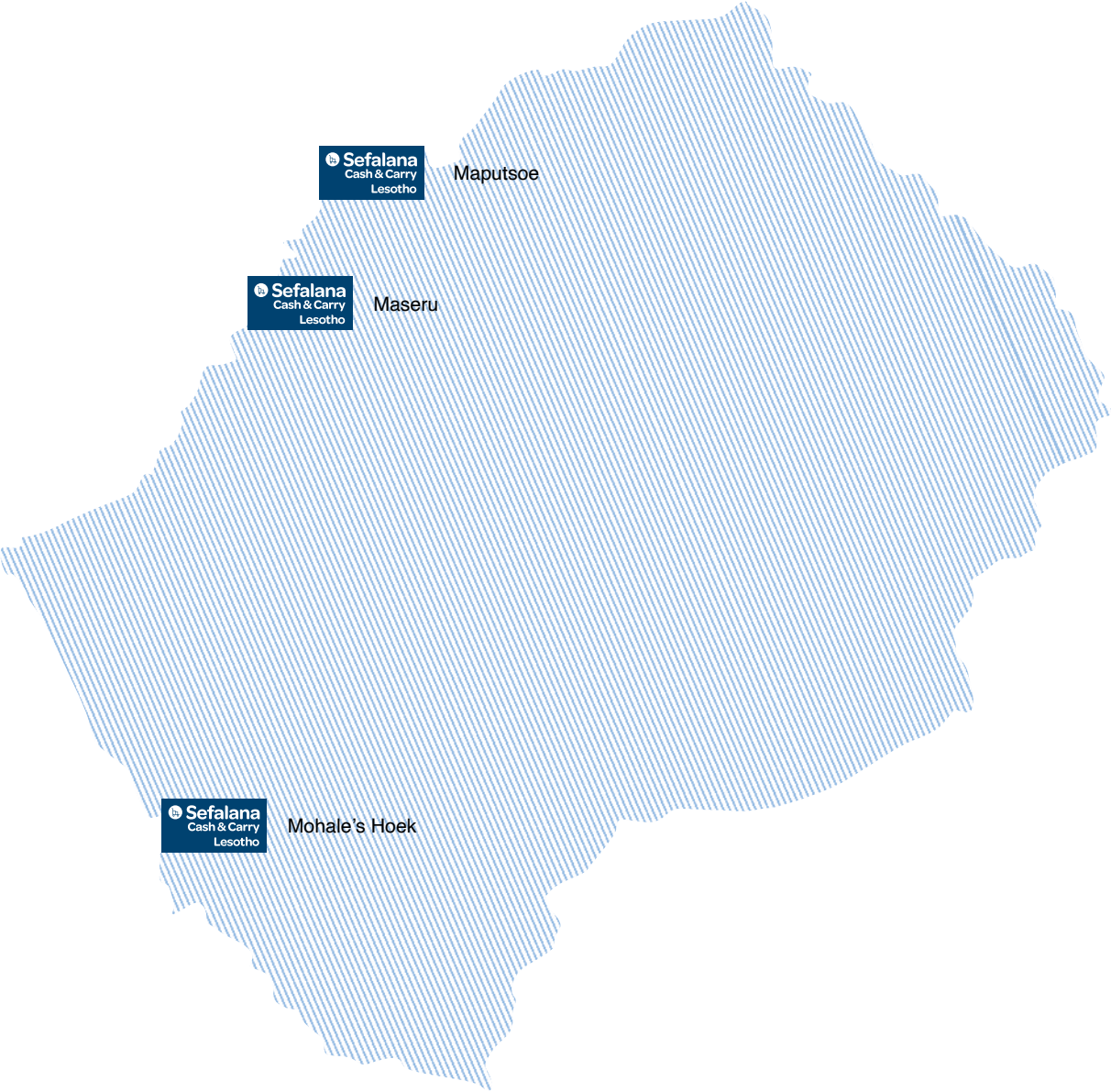
Namibia

METRO NAMIBIA STORE ADDRESS					
BRANCH	Postal Address	Physical Address	Telephone	Cellphone	E - Mail Address
METRO HEAD OFFICES					
Head Office - Namibia	Box 1417, Windhoek	11 van der Bijl street, Northern Industrial, Windhoek	084 - 000-2000		marketing@metro.com.na
METRO STORES					
Metro Katima Mega	Box 1952 Katima Mulilo	Lifasi , 599 , Katima Mulilo	0833322016	081 234 7209	kat356@metro.com.na
Metro Zambezi	Box 1417 Windhoek	Erf 3884-3887 unit 10-12 Zambezi shopping Centre	0833322005	081 670 7212	zam374@metro.com.na
Metro Kongola	Box 1417 Windhoek	Main Road, Katima	0833322022	081 722 4626	kon375@metro.com.na
Metro Divundu	Box 1417 Windhoek	ERF 298 Divundu, Main road to Katima	0833322015	081 551 9229	div359@metro.com.na
Metro Rundu	Box 1744, Rundu	Erf 1080, Main Road, Rundu	0833322014	081 785 9535	run323@metro.com.na
Metro Tsumeb	Box 470, Tsumeb	Hage Geingob Drive, Tsumeb	0833322011	0816644317	Tsu355@metro.com.na
Metro Grootfontein	Box 1417 Windhoek	754, Sam Nujoma Drive, Grootfontein	0833322018	081 239 5513	goo372@metro.com.na
Metro Otjiwarongo Foods	Box 185, Otjiwarongo	C/O Tuin Road and Wes Street, Otjiwarongo	0833322010	081 673 7017	Otj353@metro.com.na
Metro Otjiwarongo Liquor	Box 185, Otjiwarongo	C/O Tuin Road and Wes Street, Otjiwarongo	0833322019	081 818 1829	Otj354@metro.com.na
Metro Ondangwa	Box 2349 Ondangwa	Main Road, Ondangwa	0833322012	081 657 7218	Ond322@metro.com.na
Metro Oshakati	Box 15116, Oshakati	Endola Road,Plot 1344, Oshakati	0833322013	081 868 2037	Osh304@metro.com.na
Metro Eenhana	Box 1417 Windhoek	Unit 25, Greenwell Complex, Eenhana	0833322017	081 459 3460	een371@metro.com.na
Metro Oshikango	Box 1417 Windhoek	Oshikango Main Road	0833322030	081 490 1496	oshi381@metro.com.na
Metro Hyper Foods	Box 1417 Windhoek	Cnr Frankie Fredricks & Chasie Str, Klein Kuppe	0833322003	081 155 6153	hyp310@metro.com.na
Metro Hyper Liquor	Box 80783 Olympia Whk	Cnr Frankie Fredricks & Chasie Str, Klein Kuppe	0833322003	081 484 9671	hlq776@metro.com.na
Metro Fresh	Box 80783 Olympia Whk	Cnr Frankie Fredricks & Chasie Str, Klein Kuppe	0833322003	081 127 2640	hypfresh355@metro.com.na
Metro Home	Box 80783 Olympia Whk	Cnr Frankie Fredricks & Chasie Str, Klein Kuppe	0833322003	081 789 5903	hom378@metro.com.na
Metro Walvis Bay	Box 511, Walvis Bay	Circumferential, Walvis Bay	0833322008	081 299 0326	wal309@metro.com.na
Metro Swakopmund CC	Box 993 Swakopmund	McHugh Street, Swakopmund	0833322020	081 687 7214	swa320@metro.com.na
Metro Swakop Mega	Box 993, Swakopmund	Cnr Hidipo Hamuntenya & Watt str, Swakopmund	0833322009	081 204 6010	meg357@metro.com.na
Metro Karibib	Box 1417, Windhoek	Erf 334, C/O Kapapu & Simovski str, Karibib	0833322009	081 331 0025	kar376@metro.com.na
Metro Kuisebmond	Box 1417 Windhoek	C/O Pelican str and David Hambunda	0833322031	081 222 4541	kuis382@metro.com.na
Metro Windhoek	Box 1417, Windhoek	van der Bijl Street Northern Industrial, Windhoek	0833322001	081 127 2831	windhoekcc@metro.com.na
Metro Windhoek Liquor	Box 1417, Windhoek	van der Bijl Street Northern Industrial, Windhoek	0833322002	081 310 0097	windhoekliq@metro.com.na
Metro Okurangava Liq	Box 1417, Windhoek	Erf 1012, Ondota street, Katutura	0833322023	081 674 6537	oku759@metro.com.na
Metro Gobabis	Box 400, Gobabis	Kalahari Highway, Gobabis	0833322007	081 290 7125	gob359@metro.com.na
Metro Keetmanshoop	Box 715, Keetmanshoop	Cnr Ferro & 5th Ave, Keetmanshoop	0833322004	081 692 3558	kee317@metro.com.na
Metro Mariental	Box 215, Mariental	C/o Mark & Park, Street, Mariental	0833322006	081 391 4379	mar316@metro.com.na
Metro Luderitz	Box 1417, Windhoek	Bay Road, Luderitz	0833322025	081 385 4764	lud379@metro.com.na
Eros	Box 1417, Windhoek	Heliodoor Str, Eros, WHK	0833322026	081 270 1091	eros501@metro.com.na
Nelson Mandela Av.	Box 1417, Windhoek	Nelson Mandela Ave, Swakop	0833322028	081 803 3416	nma503@metro.com.na
Venus	Box 1417, Windhoek	58 Sam Nujoma drive, Walvisbay	0833322027	081 648 4991	ven502@metro.com.na



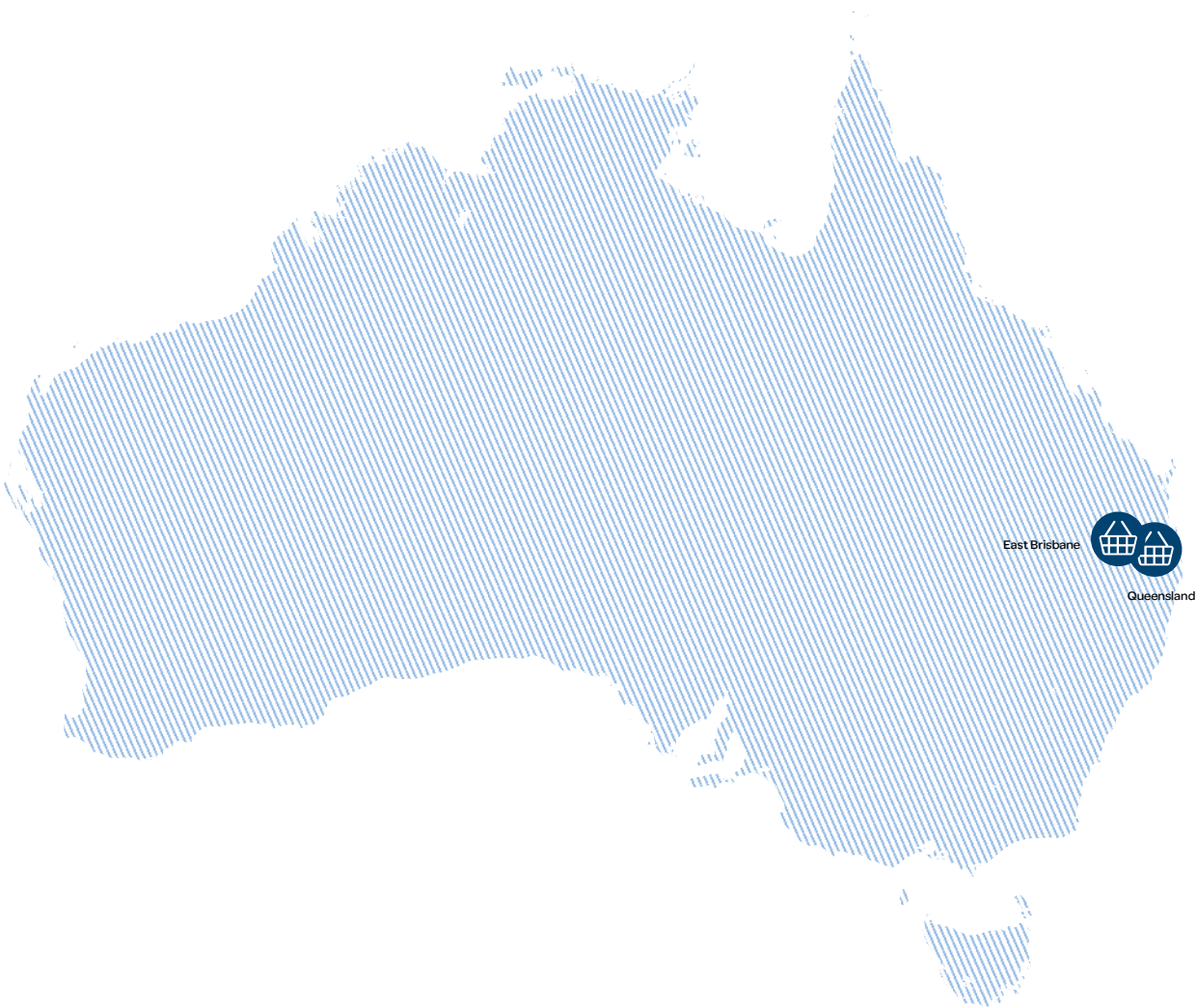
Lesotho

SEFALANA LESOTHO STORE CONTACT DETAILS				
Location	Postal Address	Physical Address	Telephone	Email Address
Maseru Sefalana Cash & Carry	P O Box 0436, Maseru West, Maseru 100, Lesotho	2 Lioli Road, Maseru West, Station Area, Lesotho	(00266) 2232 6223	A.dutoit@sefalana.co.ls
Maseru Sefalana Liquor	P O Box 0436, Maseru West, Maseru 100, Lesotho	Plot 12774 - 011, Corner of Makoanyane & Motsoene Roads, Industrial Area, Maseru, Lesotho	(00266) 2231 6714	lehlohonolo@sefalana.co.ls
Maputsoe Sefalana Cash & Carry	P O Box 772, Maputsoe, Lesotho	A1 Road, Site #23134 - 017 Ha Nyenye Maputsoe Urban	(00266) 2243 1091	etienne@sefalana.co.ls
Maputsoe Sefalana Liquor	P O Box 772, Maputsoe, Lesotho	A1 Road, Site #23134 - 017 Ha Nyenye Maputsoe Urban	(00266) 2243 1091	mohau@sefalana.co.ls
Mohale's Hoek Sefalana Liquor	P.O. Box 314, Mohale's Hoek, Lesotho	Sefalana Liquor urban next to Lifemeng Mohale's Hoek	(00266) 22780551	ralethoko@sefalana.co.ls



Australia

AUSTRALIA STORE CONTACT DETAILS			
Seasons Group of Companies	Store Name	Address	Telephone
Seasons Supermarkets 1 Pty Ltd	Seasons IGA Caloundra	Village Shopping Centre, cnr Bingera Tce & Ormuz St, Caloundra Qld 4551	(07) 5491 4966
Seasons Supermarkets 2 Pty Ltd	Seasons IGA Garnet St.	5 Garnet Street, Cooroy	(07) 3555 6360
Seasons Supermarkets 3 Pty Ltd	Seasons IGA Noosa	Shop 1 Noosa Junction Plaza, 81 Noosa Drive, Noosa Heads, QLD, 4567	(07) 5447 2777
Seasons Supermarkets 4 Pty Ltd	Seasons IGA East Brisbane	33 Lytton Rd, East Brisbane, QLD, 4169	(07) 3393 2344
Seasons Supermarkets 5 Pty Ltd	Seasons IGA Burpengary	3-7 Burpengary Road, Burpengary, 4505	(07) 3886 0557
Seasons Supermarkets 6 Pty Ltd	Seasons IGA Yandina	1 Old Gympie Road, Yandina, QLD, 4561	(07) 5446 8400
Seasons Supermarkets 7 Pty Ltd	IGA Cooroy	3 EMERALD STREET, COOROY	(07) 5454 2257
Seasons Supermarkets 8 Pty Ltd	Seasons IGA Maleny	26 Maple Street, Maleny, QLD, 4552	(07) 5447 6061
Seasons Supermarkets 9 Pty Ltd	Seasons IGA Wises Rd	32 Wises Rd, Maroochydore QLD 4558	(07) 5479 0888



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