



CHOBE HOLDINGS LIMITED
"the Company" or "the Group"

Incorporated in the Republic of Botswana (UIN: BW00001487283)

M.T. Sekgororoane (Chair); J.M. Gibson (Deputy Chairman), J.K. Gibson (CEO)
L. Odumetse (Managing Director), J.A. Bescoby, S.D.S. Fernando, K. Ledimo
J.M. Nganunu-Macharia, K.K. Otukile, D.S. Ter Haar

BUSINESS UPDATE

Chobe continued to perform in line with the previous financial year during the first half of Financial Year 2025, ending 31 August 2024, as reported in November 2024. A reduction of available beds due to the complete rebuild of Savute Safari Lodge and refurbishment of Nxamaseri Island Lodge and Okuti camp was tempered by a better achieved rate and a depreciation of the Botswana Pula against the United States Dollar.

Within their market segments, both Desert & Delta Safaris and Ker & Downey Botswana continue to perform well with strong marketing teams and a focus on developing products and exploring new markets whilst continuing to nurture our existing markets.

Despite economic headwinds in Europe, we continue to see strong demand for our product in Financial Year 2026 and beyond.

Our lease over Xugana Island Lodge was renewed with the Tawana Land Board for a period of fifteen years and we are in correspondence with the Tawana Land Board to finalise the second period of our lease over Okuti camp.

The half year saw a significant increase in operating expenses driven in the main by increased salaries and wages, repairs and maintenance. Our approach of providing appropriate remuneration will continue to drive increases in our payroll burden, however with a backlog of COVID-19 pandemic maintenance undertaken we forecast a containment of repairs and maintenance costs.

Global supply chain constraints have placed significant upward pressure on our aviation expenses; however, these have largely been mitigated in the coming financial year.

As occupancies increase, headroom in occupancy driven revenue growth diminishes, moderating the Group revenue growth to that driven by rate increases. The Group is cognisant of this and is actively pursuing further opportunities for bednight growth. During the Financial Year Chobe has begun work to add 14 beds at Maxa camp, 5 beds at Xugana Island Lodge and an additional 14 beds at King Lewanika Lodge. These will become operational in Financial Year 2026. The Group is working on further increasing the available bednights through both our traditional owed camps and lodges as well as strategic partnerships with third parties.

The dividend policy remains that, as a guide, to pay a dividend that is at least twice covered by attributable fully taxed earnings subject to the prudent ongoing requirements of the Group. Advanced Travel Receipts should be segmented and not paid as dividends. This allows for significant organic growth. Whilst Advanced Travel Receipts are segmented, Chobe's rights to the funds are protected during normal times by our cancellation terms and conditions.

The Group earns a majority of its revenue in United States Dollars with this revenue translated to the reporting currency, Botswana Pula, using monthly exchange rates published by the Group's banker. The majority of the Group's costs are denominated in Botswana Pula, however fuel prices are driven by both global market forces and the United States Dollar/Botswana Pula exchange rate and aviation expenses are predominately denominated in United States Dollars. We expect the Botswana Pula to depreciate in line with Government policy.

It is too early to evaluate performance of our new properties with King Lewanika Lodge in Zambia and Maxa yet to open and Grays Eden not having completed a season. Being the first full year of operations, these properties are not expected to have a material impact on Group revenue in Financial Year 2026.

Chobe Holdings Limited

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Registered office:
Plot 28892
First Floor, West Wing
Twin Towers
Fairgrounds
Gaborone
Botswana

Postal address:
P O Box 32
Kasane
Botswana

Website:
www.chobeholdings.co.bw

Telephone:
+ 267 77 000 855