IMPORTANT NOTE TO USERS:
The audit opinion reproduced here as a standalone document has been extracted from the Chobe Holdings Limited Consolidated and Separate Financial Statements for the year ended 28 February 2022 (the "AFS"). The AFS include the consolidated and separate financial statements to which this audit opinion refers. Accordingly, this audit opinion should be read together with the AFS, which are available from Chobe Holdings Limited's registered office.

Independent auditor's report

To the Shareholders of Chobe Holdings Limited

Our opinion

In our opinion, the consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of Chobe Holdings Limited (the "Company") and its subsidiaries (together the "Group") as at 28 February 2022, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards.

What we have audited

Chobe Holdings Limited's consolidated and separate financial statements set out on pages 11 to 87 comprise:

- the consolidated and separate statements of financial position as at 28 February 2022;
- the consolidated and separate statements of comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

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 and separate 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: P 4 500 000, which represents 5% of the consolidated three-year average profit/loss before tax.*

Group audit scope

- The Group consists of 25 subsidiaries and an associate. We performed full scope audits on all financially significant subsidiaries and the Company, and analytical review procedures on the insignificant subsidiaries and associate.

Key Audit Matters

- Impairment assessment of goodwill and non-financial assets.

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated and separate 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	*P 4 500 000*
How we determined it	*5% of the consolidated three-year average profit/loss before tax.*

Rationale for the materiality benchmark applied	*We chose consolidated profit/loss 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. Due to the impact of COVID-19 on the operations of the Group during the current financial year, there was significant fluctuation in profit/loss before tax, and therefore we used a three-year average of profit/loss before tax as our benchmark. We chose 5% which is consistent with quantitative materiality thresholds used for profit-oriented companies in this sector.*

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 consists of twenty five subsidiaries and an associate. The Group audit scope has been determined based on indicators such as contribution to consolidated profit/loss before tax and consolidated revenue from each component. We performed full scope audits on the Company and all financially significant subsidiaries (that is, subsidiaries that engage in tourism related activities and the aircraft maintenance operations), which could individually or in aggregate have a material impact on the consolidated financial statements. Analytical review procedures were performed on insignificant subsidiaries and the associate. All audit work was performed by the group engagement team and did not require involvement of component auditors. This, together with additional procedures performed at the Group level, including testing of consolidation journals and intercompany eliminations, provided us the audit evidence we needed for our opinion on the consolidated financial statements as a whole.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	***How our audit addressed the key audit matter***
Impairment assessment of goodwill and non-financial assets *(consolidated and separate financial statements)*	
The Group's customers are predominantly from Europe and North America. These locations were impacted by COVID-19 in the two years preceding the current financial year. The lockdowns, travel restrictions and similar measures put in place by governments regionally and globally in order to restrict the spread of COVID-19 had a debilitating impact on the Group, with customers unable to travel to the Group's lodges, resulting in a	We assessed the appropriateness of the valuation model applied by management with reference to market practice and the requirements of IAS 36. We also compared the model to that applied in prior years. We identified no inconsistencies, which would impact on the impairment assessments.

Key audit matter	*How our audit addressed the key audit matter*
significant decline in revenue. Given that the Group operates on fixed term land concession rights, any disruptions to its commercial operations, for which the duration and impact cannot be estimated reliably, are considered impairment triggers in terms of International Accounting Standard (IAS) *36 - Impairment of Assets* ("IAS 36"). Accordingly, in addition to annual assessment assessing goodwill on business combination for impairment, the Group performed impairment assessments of other material non-financial assets such as property, plant and equipment, right-of-use assets and intangible assets at a group level, and of the Company's investments in subsidiaries. Goodwill recognised in the consolidated financial statements arises mostly from acquisition of the operating camps and related lease holding / concessionaire companies. The Group determines the goodwill to be attributable to Cash Generating Units ("CGUs") of the relevant concession which generates independent, separately identifiable cash flows. Therefore, the impairment assessment was performed at the relevant CGUs. The carrying values of the CGUs include property, plant and equipment, right-of-use assets and intangible assets included in the consolidated financial statements. The carrying values of the investments in subsidiaries included in the separate financial statements were compared to the value of related CGUs to perform the impairment assessment for the Company. The Group and Company used cash flow projections to estimate its value-in-use of CGUs. In determining necessary adjustments to be made on the projected cash flows on account of the impact of COVID-19, the Group applied judgement and made estimates. Some of the key judgements and estimates include: • Timing of return to "normal" level of operations to achieve historical occupancy levels;	For each of the CGUs' impairment assessments performed by the Group and Company, we tested the mathematical accuracy of the value-in-use calculations, recalculated the recoverable amounts for significant CGUs and compared these to the respective net carrying values. Our procedures did not identify any exceptions. We assessed the key judgements used by management in their value-in-use calculations by performing the following procedures: • To evaluate the relevant dates estimated by management, we tested the impact of changes in estimated commencement dates and resumption of normal operation dates. We performed sensitivity analysis by extending these beyond the Group's and Company's dates by at least six months. Our analysis revealed that, even with such adjustments, there was sufficient headroom before impairment was necessary; • We agreed the cash flow projections to the approved financial budgets used by the Group and Company to manage and monitor the performance of the business; • We assessed the reasonableness of the future cash flow forecasts by comparing historical forecasts to the related actual results and noted no material differences, which would indicate that forecasts are unreasonable; • We assessed the reasonability of the occupancy growth rates by comparing these with actual performance achieved in prior years and performance achieved by similar camps in the Group. We found no material inconsistencies; • We assessed the reasonability of the forecast period by comparing it to remaining land concession right periods, and found no matters requiring further consideration; and • We calculated an independent range of discount rates by taking into account independently sourced data such as risk-free rates in the market, country risk premium, cost of debt, market risk premium, beta of comparable companies, capital structure of the industry's comparable companies and other macro-economic inputs. We compared our

Key audit matter	*How our audit addressed the key audit matter*
• Occupancy growth rates; and • Discount rates. With respect to aircrafts which do not form part of any particular CGU, the Group compared the carrying values against their estimated selling price at year-end to identify any impairment which should be recognised. Based on the Group's and Company's assessments of the non-financial assets, as well as the underlying operations of the respective subsidiaries, no impairment provisions were required to be recognised. The impairment assessment of goodwill and non-financial assets is considered to be a matter of most significance to the current year audit due to the disruption caused to the business by COVID-19, the level of judgement and assumptions made by management in determining future cash flows and the magnitude of the non-financial assets recorded in the consolidated and separate financial statements as at 28 February 2022. Refer to the following disclosures in the consolidated and separate financial statements for detail: • Critical accounting estimates and assumptions - Note 2 - Impact of COVID-19 and impairment of assets: (a) Goodwill impairment assessment; and (b) Impairment assessment of non-financial assets other than goodwill; • Note 9 – Property, plant and equipment; • Note 10 – Goodwill; • Note 11 – Intangible assets; • Note 13 – Investments in subsidiaries; and • Note 24 – Right-of-use asset.	independently calculated discount rates to the discount rates used by management and found that the discount rates used by management fell within range. For aircraft, we compared the Group's estimated market values to estimated selling prices obtained from external sources, and noted no material differences.

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled "*Chobe Holdings Limited Group Financial Statements for the Year Ended 28 February 2022*", which we obtained prior to the date of this auditor's report, and the other sections of the document titled "*Chobe Holdings Limited Annual Report & Group Financial*

Statements 2022", 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 and separate 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 and separate 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 and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed 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 and separate financial statements

The directors are responsible for the preparation of the consolidated and separate financial statements that give a true and fair view in accordance with International Financial Reporting Standards and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and/or the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated and separate financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 and separate 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 and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and/or Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance 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 and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the 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
Firm of Certified Auditors
Practicing Member: Rudi Binedell (CAP003 2022)

27 May 2022
Gaborone