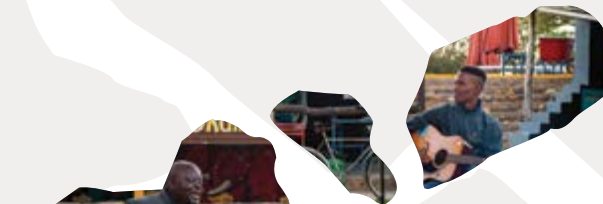


VALUE *Creation* REPORT 20



GONDWANA
COLLECTION
NAMIBIA

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THE GONDWANA COLLECTION

Gondwana is a proud Namibian company with a passion for conserving the land and bringing its captivating stories to life.

Welcome to our 2020 Value Creation Report.

This report represents Gondwana Collection Namibia (Gondwana, or the company) and how we created value in 2020.

It is impossible to distil our essence in these few pages, but we can explain what we do, how we do it, where we come from and where we are going.

This has been our most difficult year on record, with the pandemic and lockdown regulations covering our entire peak season (60% of our total revenue). But, as you will read, it was an opportunity to prove our dedication to Namibia's people, communities and environment.

This dedication is ingrained in our DNA, and with it, we have assembled a Board of Directors (Board), management team, employee complement and set of systems that put us in a position to survive a year that devastated the world at large, but our industry in particular. It also puts us on the springboard to bounce back in 2021 and grow in the years that follow.



This icon has been used to indicate where the novel coronavirus 2019 (Covid-19, the coronavirus or the pandemic) has impacted our performance during the year.

This report was approved by the Gondwana Team Leader Council (TLC) and Board.

A test of FAITH AND ABILITY

4 Actively responding to the unfolding pandemic

2020 tested the limits of the tourism industry's endurance. It led us to reflect on where we've come from and where we're going.

We had prepared for an excellent season that would bear the fruits of the labour we had invested in recent years. Our people, systems and structure were geared for a superb performance. Covid-19 was still only an occasional news story out of the Far East.

Then everything changed. Namibia, like the rest of the world, began closing its doors to its friends and its visitors, and suddenly, all of us were very alone. Because the world opened asynchronously, we essentially lost our whole year of business. Many tourism industry operators were left with a terrible prognosis. Survival became the prime consideration in an unprecedented environment. Worse, you cannot make bookings to prepare for its return because there is no guidance on when that will be. You survive by keeping a level head and by working together.

Our stakeholders made extensive compromises.

Our shareholders did not receive a dividend this year. Our entire Board gave up its sitting fees. Our employees and management universally bought into 12% benefit cuts as from April and a 25% salary reduction from October, while the executive directors' reduction was over 40%. All Gondwanians have worked hard to save the company, which is a testament to their faith in the business, and the business's shrewdness in having chosen to work with them.

No retrenchments.

The Board lobbied government constantly to find a sensible balance between reopening our borders and keeping Namibians safe. We felt that the number of infections in Namibia did not justify the extreme lockdown and its impacts on our economy.

As a large industry player in Namibia, we, together with others, took on an advocacy role.

We suggested more reasonable measures, including:

- o Opening Hosea Kutako International Airport, to begin with
- o Approving and attracting international airlines from key destinations and connection hubs to service Namibia with regular flight schedules
- o The publishing of clear health and safety protocols for tourism and related industries

- o Allowing travellers from countries with 30 or fewer new infections per 100 000 inhabitants over a two-week rolling average
- o Requiring medical travel insurance specifically covering Covid-19
- o Requiring travellers to present a negative Covid-19 test prior to boarding a plane and to take another on arrival
- o Housing travellers at fixed addresses for the first three nights while these test results are produced
- o A fixed itinerary to trace travellers
- o Strict protocols at all lodges in accordance with international benchmarks to limit physical interactions between employees and guests

Of course, these measures could not provide guarantees in terms of eliminating infections, but more stringent measures, such as two weeks of quarantine on arrival, would discourage travellers from coming at all. And keeping our borders completely closed came at a severe cost. Tourism companies were now holding on by a thread and could not continue doing so for much longer. More than 120 000 Namibian employees stood to lose their livelihoods.

Our prudence and principles have protected our business and our people.

We were held in high esteem by analysts and officials who wanted to know how we remained operational despite losing almost all of our projected revenue. The answer is the same as ever: prudence. We had not grown our business on debt, nor did we use customers' deposits to fund our activities. As such, we had a low gearing and survived this year without shirking our environmental or social commitments.

Suppliers protected and community investments maintained.

There were vast numbers of cancellations, and the weakening Namibian dollar meant that international travellers suffered up to 30% foreign exchange losses on their deposits. We decided to open a bank account in Germany to hold deposits in their original currency and protect against these types of losses. We

put the plan in motion during the year and received approval post year-end. We also constantly conducted scenario planning and crunched numbers to see what could or had to be done to cut costs or take opportunities.

We pursued our business interruption claim with our insurer from the start of the crisis. We notified our insurer as early as the end of March 2020 of our claim for business interruption cover. By June 2020 we submitted a preliminary quantification summary of the claim. At year-end our insurer still has not confirmed whether they will honour or reject our claim.

We suffered insured losses due to the Covid-19 outbreak and measures implemented by the government as a result of the pandemic outbreak.

We decided to take the matter to the High Court of Namibia to compel the short-term insurer to honour its agreed commitments.

Government created a Stimulus Relief Package of N\$8.1 billion (4% of Namibia's gross domestic product (GDP)), of which N\$5.9 billion was earmarked to support businesses, households and cash flow acceleration payments for services rendered by government. This included wage subsidies for tourism workers, tax breaks for non-mining corporates and temporary provisions for salary reductions to protect jobs. The provision was admirable for a developing country, although it had a small impact on our ability to keep our employees' livelihoods secured.

Where to from here?

Many businesses will fail, which means that consolidation should be expected, hopefully as an opportunity to help save livelihoods that would have been destroyed otherwise.

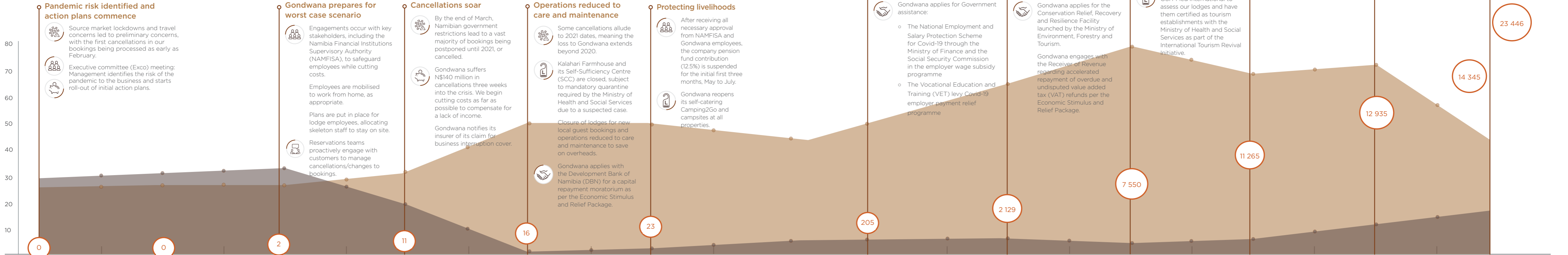
Concerningly, latest data shows that international travellers have been slow to return to the economy in the wake of the 'Great Lockdown', although anecdotal reports suggest modest recovery. By October, for a period of time, Namibia was considered a low risk area by Germany, Switzerland and Austria, among others, meaning that governments trusted us as a safer travel destination due to our low infection rates. In the wake of this terrible pandemic, we have the chance to grow Namibia's visibility on the world stage of tourism.

ACTIVELY RESPONDING TO THE UNFOLDING PANDEMIC

Our response to the crisis was guided by the Gondwana Guidelines – ensuring we stayed true to our culture and environmental, social and economic commitments, to protect our people, land and communities and our industry.



Gondwana's response



Pandemic risk identified and action plans commence

- Source market lockdowns and travel concerns led to preliminary concerns, with the first cancellations in our bookings being processed as early as February.
- Executive committee (Exco) meeting: Management identifies the risk of the pandemic to the business and starts roll-out of initial action plans.

Gondwana prepares for worst case scenario

- Engagements occur with key stakeholders, including the Namibia Financial Institutions Supervisory Authority (NAMFISA), to safeguard employees while cutting costs.
- Employees are mobilised to work from home, as appropriate.
- Plans are put in place for lodge employees, allocating skeleton staff to stay on site.
- Reservations teams proactively engage with customers to manage cancellations/changes to bookings.

Cancellations soar

- By the end of March, Namibian government restrictions lead to a vast majority of bookings being postponed until 2021, or cancelled.
- Gondwana suffers N\$140 million in cancellations three weeks into the crisis. We begin cutting costs as far as possible to compensate for a lack of income.
- Gondwana notifies its insurer of its claim for business interruption cover.

Operations reduced to care and maintenance

- Some cancellations allude to 2021 dates, meaning the loss to Gondwana extends beyond 2020.
- Kalahari Farmhouse and its Self-Sufficiency Centre (SCC) are closed, subject to mandatory quarantine required by the Ministry of Health and Social Services due to a suspected case.
- Gondwana applies with the Development Bank of Namibia (DBN) for a capital repayment moratorium as per the Economic Stimulus and Relief Package.

Protecting livelihoods

- After receiving all necessary approval from NAMFISA and Gondwana employees, the company pension fund contribution (12.5%) is suspended for the initial first three months, May to July.
- Gondwana reopens its self-catering Camping2Go and campsites at all properties.

Commence slow opening of lodges

- Gondwana proceeds with a slow opening of lodges in line with domestic travel demand and regional travel restrictions; with the balance of lodges kept on care and maintenance.
- The restaurants moved to pre-order à la carte menus.
- Gondwana submits a preliminary quantification summary of the claim submitted to the insurer on 30 March.
- Gondwana applies for Government assistance:
 - The National Employment and Salary Protection Scheme for Covid-19 through the Ministry of Finance and the Social Security Commission in the employer wage subsidy programme
 - The Vocational Education and Training (VET) levy Covid-19 employer payment relief programme

Gondwana applies for assistance where possible

- Gondwana applies for a further company pension fund contribution suspension until the end of October.
- Gondwana reduces employee costs by 30% since March as a result of the measures implemented since then.
- Dining options increase as restaurants revert to serviced buffet breakfast and dinner offerings, etc.
- Gondwana applies for the Conservation Relief, Recovery and Resilience Facility launched by the Ministry of Environment, Forestry and Tourism.
- Gondwana engages with the Receiver of Revenue regarding accelerated repayment of overdue and undisputed value added tax (VAT) refunds per the Economic Stimulus and Relief Package.

Cancellations increase again

- The decision by government to move the country back to stage 3 has a huge impact:
 - Increased cancellations
 - Negative effect on the Namibian image as a safe destination abroad
 - Many lodges lose bookings for domestic travel during the school holiday
- Gondwana contracts OSH-Med International to assess our lodges and have them certified as tourism establishments with the Ministry of Health and Social Services as part of the International Tourism Revival Initiative.

Tourism revival preparations

- All Gondwana lodges approved and certified as tourism establishments with the Ministry of Health and Social Services as part of the International Tourism Revival Initiative.
- Executive directors take 40% salary cut on top of the 12% benefit cuts, for an initial six months.

#SOSTourism

- Launch of the #SOSTourism campaign to raise awareness for the plight of the tourism industry.
- Employees agree to 25% salary cut for an initial six-month period.

Operations resume

- Gondwana remains vulnerable to medical and regulatory developments affecting the international travel market to fully resume its business.
- Operations resume as normal with the exception of liquor sales and 21:00 curfew.

JANUARY **FEBRUARY** **EARLY MARCH** **LATE MARCH** **APRIL** **MAY** **JUNE** **JULY** **AUGUST** **SEPTEMBER** **OCTOBER** **NOVEMBER** **DECEMBER**

Emerging global emergency
The World Health Organization (WHO) declares Covid-19 a public health emergency of international concern.

Namibia's initial response
State of Emergency is declared for a period of six months and the Ministry of Health and Social Services establishes an Emergency Response team intensifying the surveillance of Covid-19 in Namibia.
Travel from affected countries banned. Local leisure, business and social travel are suspended and accommodation establishments are required to apply various health regulations.

Lockdown stage 1
All non-essential businesses are prohibited from operating and the travel ban is extended to all countries.

Lockdown stage 1
Regional lockdown extensions
Economic Stimulus and Relief Package announced by the Minister of Finance.

Lockdown stage 2
Domestic leisure travel reopens
Restrictions are partially lifted to allow for self-catering domestic leisure travel.

Lockdown stage 3
Moderate reopening of the country and economy confirmed
Restaurants may reopen under strict conditions, and alcohol may be sold during certain times of the day.

Lockdown stage 4
Domestic air travel resumes.

Return to lockdown stage 3

First return to stage 3
Commencement of a targeted **International Tourism Revival Initiative** to open Namibia to the world, with the resumption of flights from major airlines and health requirements for travellers.

Second return to stage 3
International Tourism Revival Initiative postponed to 1 September, on which date international travel can resume via Hosea Kutako International Airport

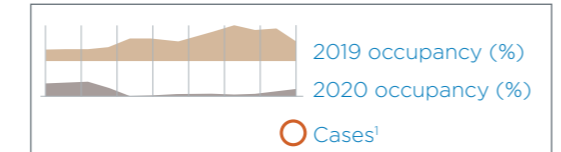
Third return to stage 3
Amendments to the International Tourism Revival Initiative's health and screening requirements for travellers

State of Emergency lapses

Public Health and Environmental Act Regulations become effective, governing the continuation of Covid-19 General Regulations

Lockdown stage 4
New measures and amendments were issued as part of the Public and Environmental Health Act, 2015 to regulate the public under the new normal.

Lockdown stage 5
Recovery
Covid-19 General Regulations cease and all businesses, operations and activities are permitted to operate and be conducted during their normal operating hours. Moderate opening of borders to selected countries.
When the Covid-19 vaccine becomes available in Namibia, it will be run as part of the Expanded Programme of Immunisation (EPI) under the Ministry of Health and Social Services.



¹ Confirmed Covid-19 cases in Namibia as at the end of each month.



About GONDWANA

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WHO WE ARE AND WHERE WE COME FROM

Gondwana's story begins with Namibia, our inspiration.

The year was 1996, six years after Namibian independence when the air was electric with possibility. The Gondwana Collection Namibia was founded by a few like-minded people who dreamed of regenerating and preserving the spectacular environment in the Fish River Canyon surrounds.

Namibia had suffered decades of land misuse, misguided policies and recurring droughts, leaving much of the country a diminished landscape with decimated fauna and flora, as well as low employment. Our desire to see these troubles rectified led us to establish the Gondwana Canyon Park. With few funds but great ambition, our vision began to take shape - we were determined to be a company that protected the environment and socially enriched Namibia.

We knew that this would remain a pipe dream without a sound financial model, and we looked to tourism to realise our commitment. We've come a long way from the days where our founders casually held their meetings against the backdrop of the Fish River Canyon, but our vision remains firm.

Over the course of our existence, we have grown to encompass many of Namibia's most desirable tourist destinations, created many jobs and done much for conservation. We have never lost sight of our values

or commitments to Namibia, her landscapes and her people, as well as service excellence. As such, our victories extend beyond our aims for Namibia, as we became able to present travellers with a true Namibian experience, one that imprints itself on their souls.

This brings us to the essence of our brand:

Have a story to tell.

We are committed to quality, service excellence and respect for the natural and cultural heritage of our beloved Namibia.

We are a company with a soul. The essence of our culture is intangible and cannot be put into words, but it inspires and drives us every day:

- o To be a brand of unwavering integrity and passion
- o To have a lasting and positive impact on our planet and the people whose lives we touch
- o To make our country, our team and all stakeholders proud

This is the Gondwana feeling: Namibia with heart and soul.

Take our hand and let us introduce you to our extraordinary country. There are countless marvels to discover: from the chasms of the Fish River Canyon, the fossilised dunes of the Namib and the red sands of the Kalahari Desert, to the desert-adapted wilderness of the Kunene region and the waterways of the Kavango and Zambezi regions.

WHAT WE DO

Our guests' footprints fall across the entirety of Namibia, beginning to end.



Hospitality

We provide a range of **Gondwana Collection accommodation** options – from premium to value to adventure – close to Namibia's most loved attractions. Differing in theme, but equal in sincere warmth of service, each promises a unique experience that will leave guests with a story to tell.

- o **10** geographies (experiences)
- o **Five** accommodation grades (collections)
- o **46** accommodation options
- o **820** rooms
- o **1 562** beds

See page 16 for our accommodation grading system.



Car rental

Customers can explore Namibia their own way with our well-maintained **Namibia2Go** car rental vehicles. Our fleet meets customers' diverse requirements, from rugged and fully equipped for adventure, to roomy enough for the whole family. Rates include unlimited kilometres and insurance.

- o Over **60** rental cars
- o **Eight** categories



Tour operator

Safari2Go is a destination management company and a professional inbound tour operator with local knowledge, expertise and resources, specialising in designing and coordinating travel arrangements for individuals and groups; taking care of all tour logistics, accommodation, transportation, air-charters, activities and all other safari needs; and servicing the international industry.



Travel agency

The **Cardboard Box Travel Shop** offers customers a tailored travel and reservation service for Namibia, Botswana and Zimbabwe. Our friendly, experienced and knowledgeable team provides travel information, travel advice and booking assistance for accommodation, cars, safaris and more. The Cardboard Box Travel Shop team offers and recommends a range of options – beyond the Gondwana Collection.



Ecommerce

The **Narrative Namibia** is our new online store where we sell local curios and other Namibian products. We launched it due to popular demand from travellers who wanted souvenirs to stay connected to their Namibian experience.

We plan to integrate the store with our websites, social media and other online presences, and expand it to offer more products and services. Currently we support Namibian-branded products by local artisans like:

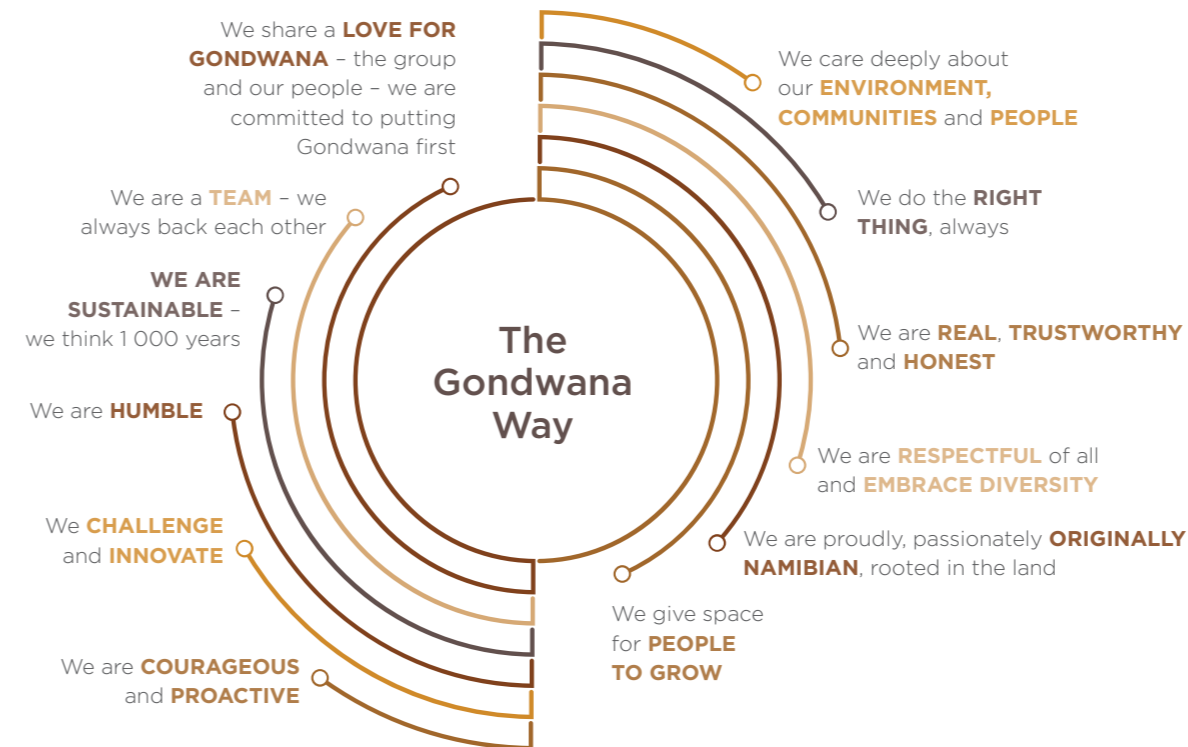
- o Gweri Vintage Collection (page 51)
- o Tameka Design Jewellery
- o FIMBI Leather Art

HOW WE DO IT

The intangible essence of our culture inspires and drives our every action.

It defines our approach to work, our ideas, actions and behaviours. We use the Gondwana Guidelines as a way of life, to stay true to our culture. This way of life becomes the Gondwana Way.

The Gondwana Guidelines



By honouring the Gondwana Way, we create a meaningful impact



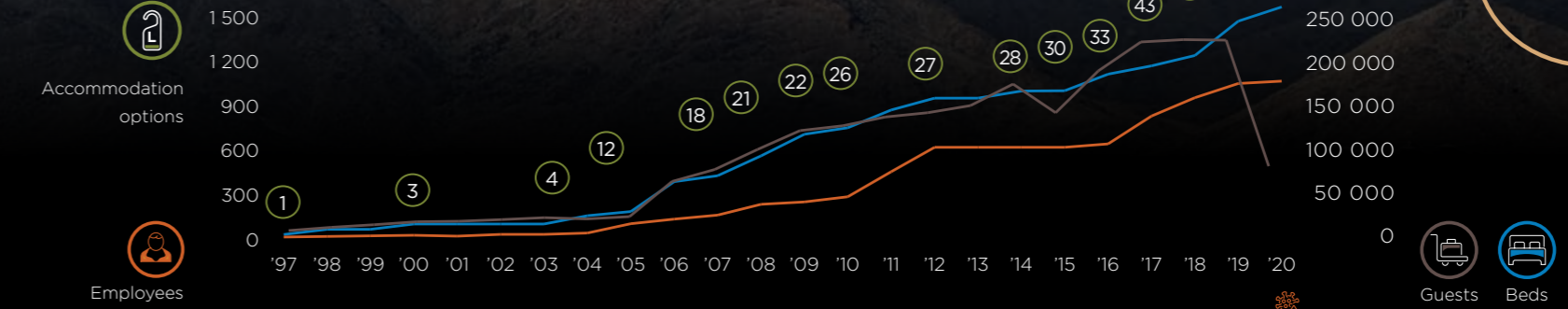
See page 38.

OUR JOURNEY

We are rooted in Namibia. For Namibia.



Our growing footprint

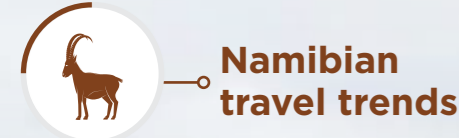


Our MARKET

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THE NAMIBIAN TOURISM ECOSYSTEM



Namibian travel trends

Covid-19 has led people to reconsider their life priorities. They want bigger breaths of air away from the rat race, and they prefer memorable experiences to material things.

Namibia's travellers traditionally come from Europe, primarily Germany, and book organised tours with wholesalers. These travellers' holiday patterns, alongside weather movements, determine our high season (July to November).

Most of the below trends were already in motion before 2020 and were simply accelerated during the year:

- Travellers are looking for flexible holidays that they can take at their own pace and away from large crowds of people. They want self-drive journeys, across the circuit of Namibia's top sightseeing attractions.
- Guests prefer environmentally responsible offerings that give them peace of mind about their impact.
- Travellers desire authentic cultural experiences with a focus on local communities and history.
- Many international guests prefer exclusive and distinctive stays, while families and individual travellers prefer budget accommodations.



The Namibian traveller

Gondwana's guests are local and international travellers.

Out of the 225 370 guests from 2019, 70% were European, specifically from Germany, France, Italy, Belgium, the United Kingdom (UK) and Ireland. In 2020 we had a 65% decrease in guests and the European market constituted about 46% of the total 79 991 guests.

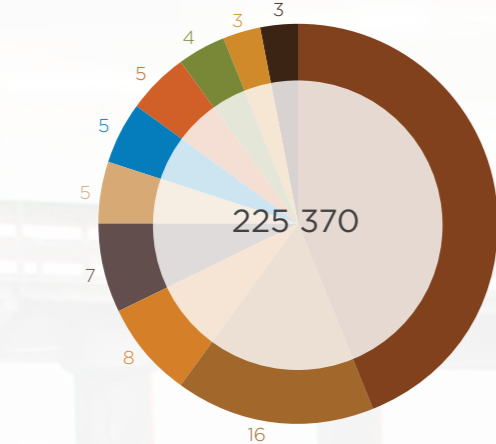
Gondwana's local guests are primarily Gondwana Card holders from Namibia and Southern African Development Community (SADC) countries.

Our 2020 Namibian traveller profile

The 2020 traveller footprint was drastically reduced by lockdown restrictions. Regional countries' citizens were able to visit for larger parts of the year as there were fewer preventative measures against travel for them.

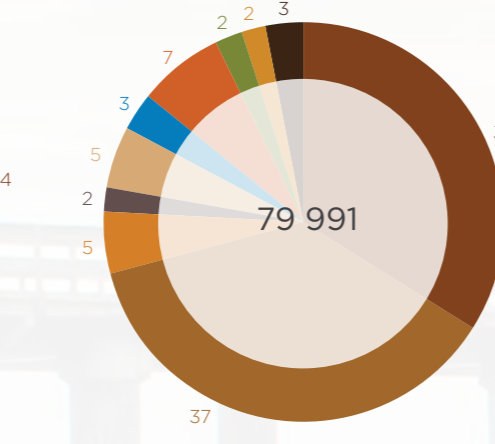
As a result, our Namibian travellers more than doubled as a proportion of total travellers.

2019 percentage of guests by country



- Germany, Switzerland and Austria
- Namibia
- France
- Belgium
- South Africa
- UK and Ireland
- Other
- Italy
- USA and Canada
- Asia

2020 percentage of guests by country



- Germany, Switzerland and Austria
- Namibia
- France
- Belgium
- South Africa
- UK and Ireland
- Other
- Italy
- USA and Canada
- Asia

Booking options



Online

Customers can book through online tour operators or directly via Gondwana's online platform or reservation centre. We are developing our information technology (IT) capabilities to streamline the booking services and better capture data on our visitors for future visits.



Travel agents

Travel agencies provide booking services for flights, car rental, tours and accommodation. Gondwana's **Cardboard Box Travel Shop** provides this service, excluding international flight bookings.



Travel wholesalers

Travel wholesalers package travel arrangements for sale through the travel trade, primarily through travel agencies.



Covid-19 travel restrictions resulted in all leisure flights to Namibia being suspended between March and September 2020.



Group tours



Self-drive

Gondwana offers fully equipped car rental for independent travellers through **Namibia2Go**.



Tour operators

Tour operators provide packages to suit their guests' needs. **Safari2Go** is a Namibian destination management company offering tailor-made self-drive and guided safaris, and daily and weekly scheduled tours with guaranteed departures and no minimum pax. It boasts local knowledge, expertise and resources, specialising in designing and coordinating travel arrangements for individuals and groups; taking care of all tour logistics, accommodation, transportation, air-charters, activities and all other safari needs; and servicing the international industry.

Gondwana operates across the tourism industry, making guests' stays memorable and convenient.



ACCOMMODATION

Guests travel across the country and experience a combination of Namibia's unique and contrasting attractions. Accommodation options vary from luxury resorts to camping facilities. Gondwana offers a full range of accommodation options strategically located across the Namibian tourism circuit.

The value Gondwana provides guests

- Simplicity:** Simple ways to book their holidays. They can book just a car or a room or a full, tailored travel itinerary.
- Service:** Guests receive exceptional, friendly service from our employees, from enquiry to accommodation and everything in between.
- Variety:** Guests can count on this service at 46 exciting accommodation options across Namibia, and at all levels of affordability.

NAMIBIA IS FOR EVERYONE

We give a unique Namibian story to every traveller, suited to their pocket and preferences.

Gondwana has an excellent and varied selection of accommodations to choose from. Whether guests are planning a luxury vacation, self-driving with family, or camping, our range of accommodation options suits every budget and travelling style.



Secret Collection

Bespoke experiences offering couples or single travellers an exclusive and intimate experience of the Namibian wilderness.



Premium Collection

Luxury lodges where guests experience extravagant, immersive retreats.



Value Collection

As the ideal choice for families and groups, these properties offer a welcoming and relaxed environment.



Experience Collection

Specialised properties offering unique experiences to guests in search of something extraordinary.



Adventure

Guests experience the untamed and completely unique parts of Namibia at these rugged escapes, including campsites and **Camping2Go** tented chalets.

See the back of this report for a list of Gondwana's accommodation options or visit <https://store.gondwana-collection.com>.

THE GONDWANA CARD

Allowing locals to be travellers in their own country.

The average Namibian and SADC resident has much less disposable income than European or North American travellers. We launched the Gondwana Card in 2007 to include them by offering discounted rates.

To date, more than 80 000 Gondwana Cards have been issued. The card offers 40% discounts on bed and breakfast (including Camping2Go and camping) to SADC residents (50% for Namibians) and 25% off on dinner and activities. Gondwana Card holders have a sense of ownership in our company. They are an integral part of the Gondwana community. We engage with them to increase awareness of nature's value and how we use tourism for its benefit, rather than the other way around.

Promoting local tourism during the Covid-19 pandemic

Where other tourism operators began offering large discounts on their products and services for local travellers, we kept to our existing offerings on the Gondwana Card and, as an added benefit, we increased our dinner discount from 25% to 40% from 1 November 2020 to 31 January 2021.

THE GONDWANA CORPORATE CARD

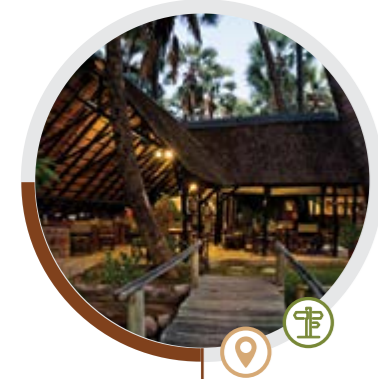
Simple and easy business travel within Namibia.

Business travel in Namibia doesn't have to be as stressful as business itself. With the Gondwana Corporate Card, we offer businesses a 20% discount on accommodation bookings and a 15% discount on a Namibia2Go rental car. Employees who already have a Gondwana Card can be booked at the relevant Gondwana card rates.

EXPLORE NAMIBIA

We choose our locations to bring travellers as close as possible to Namibia's top tourist attractions and places of interest. Guests get to see all of Namibia's beauty in a luxurious or rugged experience. We show them our rich cultures and diverse landscapes and wildlife.

Our guests get to turn over every stone to see Namibia's beauty.



The Kaokoland experience

Kaokoland stretches from the Hoanib River to the Kunene River bordering Angola. The Kunene originates in the Angolan highlands and tumbles down rapids and waterfalls through the gorge at Epupa-Falls. In this arid area, the word 'remote' still has meaning. Flora and fauna include baobabs, makalani palms, desert-adapted elephant, gemsbok, springbok, ostrich and giraffe. The region is also home to various indigenous Himba tribes.

Gondwana's Omarunga Epupa-Falls Camp, on the bank of the Kunene River, is only 200m upstream from the Falls.



The Damaraland experience

Home to the Damara people, Damaraland is a stretch of savanna with granite domes, table-topped mountains and crystal rivers. The landscape varies from red stone in summer to bleached grassy stretches when the rains fall. The Palmwag Concession is a vast conservation area with spectacular scenery, and the Uniab River attracts rhino, lion and desert-adapted elephant.

To the east, Twyfelfontein is a site of ancient rock engravings that hunter-gatherers and later Khoikhoi herders used as a place of worship. At least 2 500 rock carvings and several rock paintings can be viewed here. The United Nations Educational, Scientific and Cultural Organization (UNESCO) approved Twyfelfontein as Namibia's first World Heritage Site in 2007.

Our accommodation options include the Damara Mopane Lodge and Palmwag Lodge, with Camping2Go and Campsite.



The Namib experience

A trip to Namibia is only complete with a sojourn in the Namib Desert. This ancient desert is 2 000km long and nearly 200km wide. The central Namib Sand Sea, the area adjacent to the Gondwana Namib Collection, was proclaimed a World Heritage Site by UNESCO in 2013. Despite the harsh conditions, a variety of plants and animals have adapted to survive here.

Sossusvlei is possibly Namibia's best-known attraction. It is a large salt and clay pan surrounded by red dunes. These dunes are some of the highest in the world and provide photography enthusiasts with wonderful images in the morning and evening light. Close to Sossusvlei is Deadvlei: a clay pan with dark, dead camelthorn trees contrasted against the white pan floor. The trees are estimated to be approximately 900 years old and have not decomposed due to the dry climate.

Gondwana's accommodation borders the largest conservation area in Africa, the Namib-Naukluft National Park, at the foot of ancient fossilised dunes.

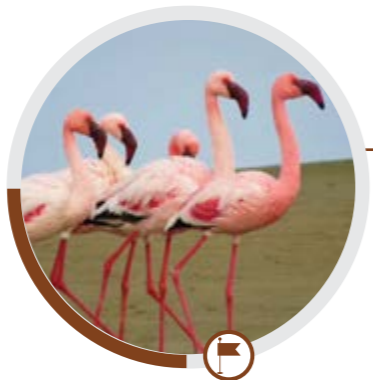


The Aus Mountain experience

Towards the south-west of Namibia, desert sand merges with the bleached grass of the Pro-Namib at the foot of the Aus Mountains. The 'Namibs', as the wild horses of the area are called, hold a powerful fascination. Their origin is unexplained and despite the harsh landscape, they have adapted and survived. Guests can watch the horses drink from the trough at Garub, some 20km west of Aus.

En-route to Lüderitz and the coast, there is the abandoned diamond mining town of Kolmanskop, where disintegrating houses are a photographer's playground.

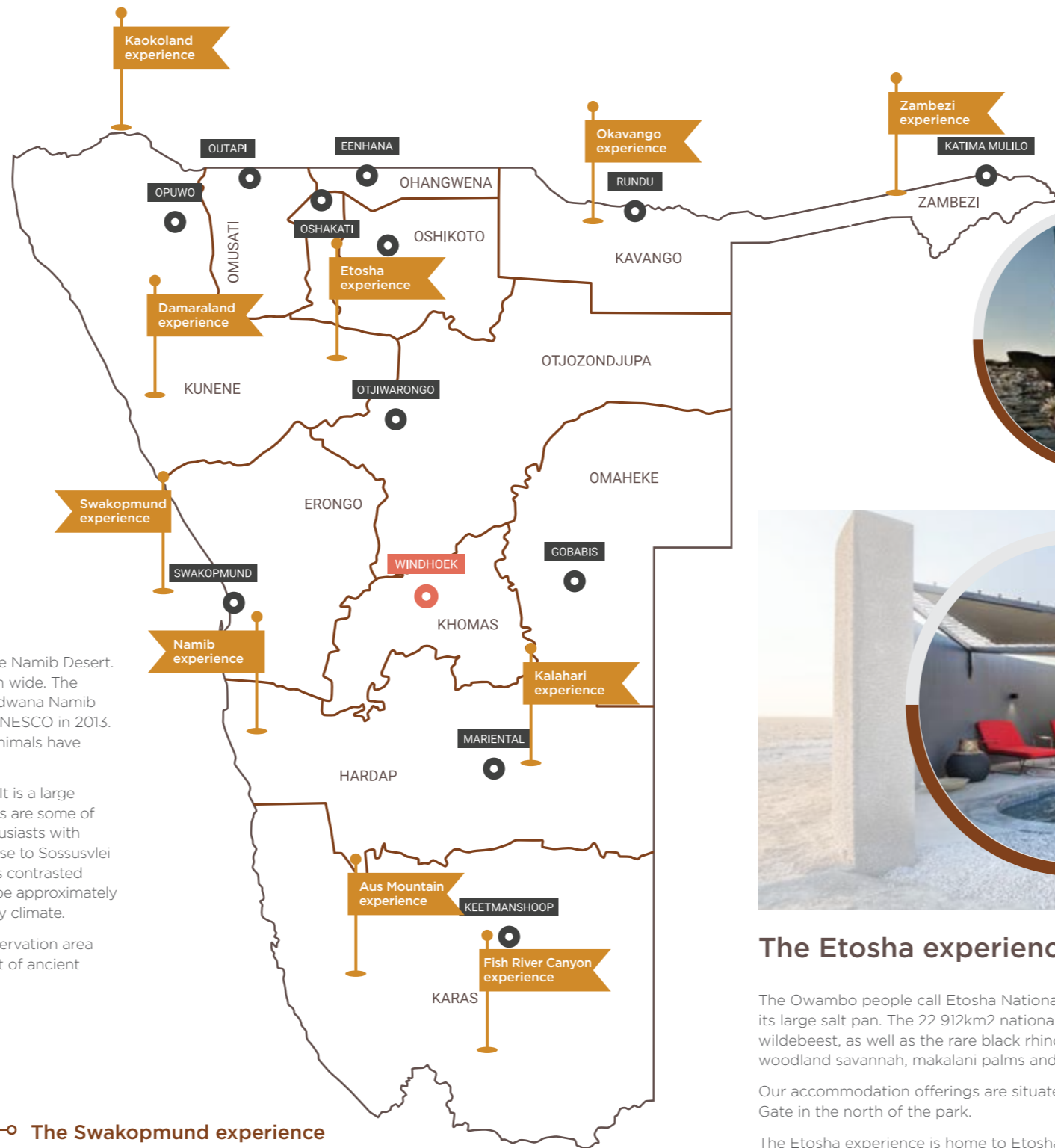
The range of accommodation offerings is famed for extensive vistas and forms part of a marketing agreement we have with the owners.



The Swakopmund experience

The resort town of Swakopmund lies in the west between the dunes of the Namib Desert and the Atlantic Ocean. It offers something for everyone: historical buildings, nature-based adventures and city pleasures.

Our hotel, The Delight, is centrally located within walking distance of many attractions.



The Etosha experience

The Owambo people call Etosha National Park in northern Namibia the 'great white place' or 'place of dry water', because of its large salt pan. The 22 912km² national park is a sanctuary for 114 mammal species, including elephant, zebra, giraffe and wildebeest, as well as the rare black rhino and the endemic black-faced impala. Vegetation types include thorn bush and woodland savannah, makalani palms and 'phantom' moringa trees.

Our accommodation offerings are situated within easy driving distance of Andersson's Gate in the south and the King Nehale Gate in the north of the park.

The Etosha experience is home to Etosha King Nehale, the newest addition to our collection, which pays homage to the rich cultural heritage of the area and provides private access to a secluded waterhole in the park.

See the back of this report for details of Gondwana's accommodation options at each experience or visit <https://store.gondwana-collection.com/experiences>.

The Zambezi experience

Once called the Caprivi Strip, the Zambezi region contains the Bwabwata National Park and two smaller parks - the Mudumu and Nkasa Rupara - that lie along the Kwando waterway.

An example of coexistence, stewardship and synergy, the region is a protected home to both wildlife and people. The tree-filled expanse is dotted with villages and signs cautioning the presence of elephants.

Our accommodation options in the region are located on the banks of the Kwando River and the Zambezi, as well as on the flood plains of the Chobe River.



The Okavango experience

Rising in the Bié Plateau in Angola, the Okavango River enters north-eastern Namibia in the Kavango region, forming the border between the countries. From there it widens into the channels of the Okavango Delta.

Located 16km from the bustle of Rundu lies Hakusembe River Lodge and campsite - a lush oasis perfectly positioned on the scenic southern bank of the Okavango River.



The Kalahari experience

In the south-east of Namibia, yellow grass and green acacias contrast with burnt-orange sand and blue sky in the Kalahari Desert. The landscape is home to desert-adapted gemsbok, springbok, ostrich, black-backed jackal, the kori bustard and the impressive nests of social weavers.

Our property, Kalahari Farmhouse, near Stampriet is home to the Gondwana Hospitality Training and Leadership Academy and to our SSC that supplies fresh produce and meat for our lodges around the country.



The Fish River Canyon experience

This is the cradle of Gondwana.

The Fish River originates in the Naukluft Mountains, flowing over waterfalls and plunging into the Fish River Canyon on its way to the gorge at Ai-Ais and the Orange River in the south. The canyon is the second largest worldwide after the Grand Canyon in the USA. It forms part of the Ais-Ais Richtersveld Transfrontier Park.

Our spectrum of accommodation is in the Gondwana Canyon Park, close to the canyon viewpoints and hiking trails.

Growing our **VALUE**

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A MESSAGE FROM STEVE GALLOWAY

Gondwana is a family that cherishes every employee. 2020 truly tested our principles, and I am proud to say we never lost sight of them, our employees or our communities.

We have become a more active national player, and we embrace our new role as a moral and fiscal example of how businesses can be run.

The road had been difficult

Even before the Covid-19 pandemic swept the world, Namibia struggled with a range of difficulties. A prolonged drought, consecutive recessionary years and corruption scandals created a challenging environment for business while lowering confidence in public and private enterprises.

The pandemic itself could not have come at a worse time for Gondwana – Namibia's lockdown shut down our business just as tourism entered its high season. In effect, this lockdown left us with our loss-making months while robbing us of the profitable ones.

Government promised to reopen the economy in July, August and September. Each time, we took bookings and organised to restart our business, but on each of these occasions these freedoms were retracted or new restrictions were imposed. By the time government and the private sector were aligned on how to responsibly manage tourism, European countries' own guidance to their citizens prevented much of the business we would have had.

Despite all this hardship, we were the only company in our sector that did not retrench a single employee. This attitude created a surge of loyalty among our people, and they universally bought in to voluntary 25% salary reductions from October, even going so far as to call it unfair that executive management was taking 40% salary cuts¹.



We also maintained our community investments. We do not consider them luxury expenses based on our profits, we consider them our responsibility – Namibia needs us, especially in a year such as this one. This uncompromising attitude extended to all of our governance behaviours.

No one could have predicted the pandemic and its economic destruction, which is all the more reason for us to be proud of management's cash management and revenue protection. We protected Gondwana's future.

Governance remains intact

The King Report on Corporate Governance™ for South Africa, 2016 (King IV)² provides a formal framework for holistic value creation. It was an easy fit for our business, as it focuses on outcomes rather than compliance.

We have always prided ourselves on good governance because it is the right thing to do, not because it is prescribed – good governance is in our DNA.

Our approach to governance is aligned to King IV's four primary governance principles: ethical culture, good performance, effective control and legitimacy, as outlined in the governance report (page 87). King IV approaches value holistically in terms of six capitals of value, being financial, manufactured, human, intellectual, natural, and social and relationship capital. While our financial capital has been devastated this year, the other capitals were not our first port of call for sacrifice in response.

As a Board, we were historically actively involved with operational matters but, with the establishment of our three committees in 2019, we were able to become fully focused on strategy. The audit, risk and opportunity committee, in particular, came into its own during the 2020 crisis. It recognised the value of data and information for the Fourth Industrial Revolution, which led us to focus on IT and appoint a Chief Information Officer.

We have taken on a stronger advocacy role, beyond being the governing body of Gondwana. We are able to represent the industry to government. We felt that Namibia's few cases of Covid-19 did not justify the severe restrictions that caused such serious harm to so many Namibians – a concern which our Managing Director, Gys Joubert, publicly raised. While this might be beyond our scope, and while it is never comfortable to have this kind of conversation, we believe it is our duty to raise our voice when the stakes are this high.

The Board's role in the crisis

Our key focus areas were to ensure Gondwana's survival, while protecting our people and preparing for recovery.

We were largely preoccupied with industry fallout, as many of our suppliers and the airlines suffered their own crises. We realised the need and opportunity to become a bigger player in our industry, as there were likely to be gaps to fill once the economy reopened in earnest. To this end, we need to strengthen our national and regional partnerships to prepare for any further possible waves of Covid-19 infections.

We refused to retrench any employee, which meant that we needed to find other avenues to save money, including salary cuts. Shareholders supported us at the annual general meeting (AGM) where we notified them that we would withhold a dividend.

We remain focused on environmental, social and governance matters, and we believe that the social aspect is now more important than ever. More than 120 000 gainfully employed Namibians stood to lose their jobs. Gondwana kept its head above water, and as such, we were able to help vulnerable Namibians do the same. As an inherently Namibian corporate citizen, it is our duty to uplift our countrymen.

Moving towards a listing

While 2020 was a setback, we continue putting everything in place to position us to list if it would be a prudent move. We aim to ensure that our business case gives investors comfort that we are an attractive stock option even if there are further shocks to the market. Our resilience to Covid-19 is a good example.

Our DNA is our major investment story. It defines our values, strategy and the way we treat people.

By adopting King IV and inculcating it throughout our business, we are set to formally list. It allows us to apply its principles and recommended practices proportionally, as appropriate for our company and sector. We will apply the code, and, where necessary, the Corporate Governance Code for Namibia (NamCode) principles for listing on the Namibian Stock Exchange (NSX).

We have already engaged in a Bond Programme (see page 35) in preparation for listing.

Looking forward

Our key dependencies going forward will remain the same as in 2020. Our budget for 2021 is very conservative, with a positive trend from April 2021 onwards.

Historically, businesses bounced back within four years of crises such as the global financial crisis in 2008, and if we can do so in one or two years, we will have a remarkable story to tell.

Unfortunately, we cannot be certain what our operating environment will look like. New waves and strains of the virus might bring further restrictions. We are considering options on how to diversify our products and locations to better withstand potential risks.

We are in a good position for the longer term as well. While we are likely to recover, it is not enough to be the only company that does. We will engage with government to assist the whole industry to find its feet again. We also need to focus on social programmes and bodies set up to protect our communities alongside other corporates. We will be a stronger national player with more participation in our value chain. We will work towards furthering Namibia's role as a destination, building on the country's status as a Covid-19-resistant destination.

Thank you

Our resilience this year was no small feat, and we owe it to each of our internal and external stakeholders. I'd like to thank each of you for your role in our 2020 story:

- Management navigated the company's path to survival without sacrificing our DNA. It led by example, and its selflessness was felt throughout Gondwana.
- My fellow Board members supported and trusted management and constantly engaged all levels of government on a sustainable and reasonable approach to tourism throughout the ongoing pandemic.
- Our shareholders and funders were incredibly understanding of our situation, and have faith that we will bounce back. Your backing is essential to our sustainability.
- Our employees proved their loyalty and dedication to our brand. You have been brave in an uncertain year, and I am sincerely grateful for your contributions.
- Government listened to us and began taking our voice into account in its decision-making around regulations. Thank you for trusting us to manage and apply protocols for safely reopening the sector.

Steve Galloway
Chairperson

¹ With the 12% benefit cuts that executive management took from April 2020, its overall salary reduction was in excess of 50%.

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A MESSAGE FROM GYS JOUBERT

Fear, self-doubt and panic. Anger and disbelief at the helplessness of it all. Frustration because no matter how hard we try, this is not something we can fix. In 2020 tourism was not only non-existent, at times it was actually outlawed.

Dear friends,

I reflect not only on the most difficult year in the history of Gondwana, but on a personal level, also on the most difficult year of my life.

We operated with full expenses during our low season, and were denied our high season by the pandemic and lockdown regulations. However, the crisis opened the windows of introspection, and we were able to reconsider our entire business and mindset in a time when we would have been preoccupied with business-as-usual. Thankfully, our historically conservative spending and aversion to growing on a debt basis allowed us to survive the year well enough that we were held as an example of how to do business. We have never been obsessive about expansion, growth or profits at the expense of our people, culture or DNA, and this served us well in the year.

2020 was incredibly hard – once we were shut down, our hopes were repeatedly crushed as dates for reopening tourism in Namibia were given and rescinded, which eventually left our revenue 66% lower than in 2019. We learned early on that 2020 would be a marathon, and not a sprint, but we could not know how long it would last, so we needed to be nimble and think on our feet each day. We could do this thanks to our mentality that risk, compliance and tick-boxes shouldn't be our biggest focus, as no crisis would follow our plans. Rather, we made sure that we had the right people, culture and structures in place, and we conducted scenario analyses to determine plans for various eventualities. The Board's trust in the new TLC allowed us the freedom to do what was needed in an agile manner.

There were many pitfalls to avoid this year, and we managed to evade them by staying level headed. For example, we saw many other tourism operators reacting to the crisis by competing on price for local or regional tourism and implementing price freezes. We swam against this current by spending more time considering our situation, finally deciding to waive cancellation fees on condition that our debtors pay us immediately.

The year's hardships were the perfect litmus test of Gondwanians and what we claim to stand for. Our stakeholders came together to support one another and prove their dedication to the company. Gondwana also stood firm in its commitments to them.

In particular, we protected our employees. After consulting with our regulator, we cut benefits such as pensions and on-the-job meals, and we brought about voluntary salary cuts, but we had no retrenchments. We believe that, over time, losing skills carries a larger cost than it saves, and a single job loss carries the same psychological impact as 500. Our people are community members with dependants, and seeing their friends and family lose their jobs, with the added risk of becoming seriously ill, created a fear that we refused to justify. Our shareholders, most of whom have been with Gondwana for a long time, understood this and sacrificed their dividend to ensure we could continue operating.

We continued training and developing employees, and we upheld our minimum commitments to our communities by maintaining financing for conservancies. We also maintained our conservation efforts as far as possible. These continued initiatives are discussed in our social impact chapter (pages 36 to 71).

If we saw our business as just a brick and mortar institution, we could let go of every employee and hire new ones when we reopened. But we are a family, and that was never an option. That's why the theme that emerged for us in 2020 is People. The true asset of Gondwana is her People.

During 2020 I spent a lot of time at our lodges to learn employees' fears and to comfort them. It was heart-breaking to see them ready but unable to work, but encouraging to see their gratitude and dedication. I recognised the need to communicate

with them often. We began company-wide communications through letters, followed by WhatsApp messages and voice notes. This helped us communicate with our far-flung employees who are more difficult to reach with traditional communication when they are not at work.

Strategy

Our strategy is built on a set of pillars that drive us forward.

- **Growth:** Gondwana is a volume-driven business with fixed costs. Unfortunately, this meant we could not deliver our normal efficiencies in 2020. We still drove measures to foster and improve efficiencies, which will be realised when we operate at normal capacity again. In recent years, we have expanded aggressively. If this had been predicated on only debt, we would have been in trouble this year. But our financial caution put us in a position where we were still able to finish and open up our new lodge, Etosha King Nehale, situated on the Andoni plains – a symbol of our optimism and preparedness for the coming years.
- **Product diversification:** While we did not greatly expand our product offerings, we paved the way for digital products in the coming years. Our Camping2Go and Secret Collection offerings, introduced in 2019, have proven successful, and we introduced Palmwag Camping2Go in 2020. Our guests' feedback on these offerings help inform how we need to tweak them to better cater to their desires. Once funds become available, we will further explore these offerings. We also continue investing in technology as a catalyst for product diversification. It is essential as a means of aggregating data, understanding our guests, and improving our visibility and offerings online.
- **Value chain integration and synergies:** Many operators were put out of business. We are able to provide them a lifeline by working together, either through consolidation or through various contracts. Vertical integration is often viewed with suspicion, as it could make a market less competitive or hurt smaller operators. While we look to be as responsible as possible, 2020 has shown us that integration is more reliable than engaging with operators who might not be able to uphold their commitments.

- **Brand strategy:** In recent years we expanded our business and brand presence aggressively. As we expand, we acquire new websites and brands. We aim to streamline our brand positioning so we maintain a coherent image and access point for potential customers.

Digital strategy: Many of our opportunities will be driven by technology, and to answer to the emerging needs of the modern traveller, IT and systems developments have been focus areas over the past few years. We accelerated this process during the crisis and focused our resources on developing and refining technological solutions to realise the opportunities in the market. These include ecommerce products, online research and booking engines, dynamic pricing, artificial intelligence, integrated customer management and promotion systems and payment portals, among other solutions. We expanded our IT skills and began building a data warehouse, as discussed on page 34. IT will remain a key enabler going forward, as it facilitates our business and allows better customer engagement, such as through our upcoming travel app. In a capital-intensive industry, our ultimate goal is to get better yielding from our strong balance sheet.

Responding to trends

We saw interesting developments during the year.

- People were cooped up for long periods and wanted the freedom to breathe in wide open spaces. They relooked their priorities and wanted to escape the rat race, if only for a while. This is good news to us, as we are well positioned to cater to these needs with packages for more secluded or solitary travel.
- Technology became even more important. It facilitated the 'new normal' meetings, and sophisticated systems allowed huge cost savings through data aggregation and insights, as well as streamlined processes. So even though we were saving as many costs as possible elsewhere, we appointed a Chief Information Officer to spearhead our digital strategy.
- Even before 2020, corporate trust deficits were becoming more serious. This became especially troubling in tourism, where travellers who cancelled trips could not recover their deposits from operators who had already spent them. We believe that a deposit belongs to the customer, and have never used them to do business. In 2020, we opened a bank account in Germany to protect deposits from foreign exchange losses by keeping money in the currency it was provided to us in.
- Sustainable tourism has been steadily becoming more popular over the past three decades, and travellers are increasingly looking to support companies that do business responsibly. We have always promoted sustainability by investing in our people, communities and the planet. We do this because it is right, not because it is profitable, and so we can honestly say that our customers are supporting a noble cause when they spend their money with us.



Beyond a year-long teachable moment

We are fortunate to have been able to continue making an impact, and protect and invest in our people, communities and planet. We were reminded to be humble and grateful for what we have and what we are able to do for Namibia. We also learned that the Gondwana of the past was no longer good enough. Our dreams and standards were high, but needed to be even higher. Most importantly, we learned how to operate in complete uncertainty. The threat of new waves or strains of the pandemic remain over the short term. The only guarantee for returning to normal is an effective vaccine, and at the time of publishing this report one has not been rolled out yet, so we remain hopeful but cautious.

We believe that the sacrifices made in 2020 will act as a springboard to catapult this company into the future. Still, the country's outlook is positive. Low Covid-19 figures and effective containment measures mean that we are on many of our source markets' green lists for tourism. We are also awaiting the outcome of our business interruption claim submitted to our insurer as early as March 2020. As of the start of the pandemic we are confident that we are adequately insured for the devastation of Covid-19.

We made sure when choosing our insurer that our company's cover was not based on the amount of the premium but instead on the comprehensiveness of the cover.

We made it clear that we need comprehensive cover for the catastrophic risks, that is why our Business Interruption cover is limited only by the policy cover which was N\$638 million at the time.

It has however become clear that our insurer is resisting its obligation to honour its commitments in terms of the policy.

A formal process was started to take the matter to the High Court of Namibia to compel a decision on whether they will honour or reject our claim.

While many companies are aiming to break even in 2021, we are aiming to make a profit. We will stay fiscally conservative and have budgeted our expenses cautiously; however, we are bullish about our prospects from April 2021 onward.

The crisis highlighted the tourism industry's cumbersome, extended and often hidden value chain that separates the end-consumer from the primary supplier. Safety, honesty, trust, values, inclusivity, sustainability and transparency are key attributes that will highlight us as a preferred supplier for future travellers and experience seekers. This gives us many opportunities for the extended Gondwana Collection brand and the range of products and services we offer.

We realise the risk we face in our exposure to a single market segment and are working towards expanding our exposure to include a more diversified product offering. We are investing heavily in our IT capabilities to realise our full potential, and will continue building on our brand, and the trust people have in it.

Thank you

I have so many people to thank. Each and every Gondwanian contributed to our survival. We all understand that the old expectations are dead, and we are building on a future in which Gondwana will thrive.

I do, however, wish to specifically thank the following people:

- *The Board for its unwavering support.* The Board scrutinised our calculations and our decisions but once it was happy they backed us and left us to get the work done. A special word of thanks to Steve Galloway who spent countless hours in my office in 2020 to offer help, advice and sometimes just a shoulder to cry on.

- *Our shareholders.* I had many conversations with many of you. I understood and shared your fears. I also understand and respect that some of you did not agree with the path we chose. Gondwana is a company of humble beginnings. Our shareholders, especially the founding shareholders, are very much middle-income people. Farmers from the south who now had their first rains after a crippling drought of six years. I cannot count on my two hands the shareholders who spoke to me over the past 12 months to directly remind me that they are 100% dependent on their shareholding in this company. We admire and respect success, but our stakeholders are different. We represent those people who have literally given their whole life's work to this company and who are 100% dependent on it for their future plans and dreams. I am lucky to work with many of them on a daily basis. As the biggest investor in communal land in Namibia and in rural Namibia, we represent the unskilled but wonderfully talented people from the local village. All in all, we represent the small guy.
- *My fellow executive directors.* I wonder how many hundreds of coffees we shared and pondered over in 2020. A special thank you to Jaco Visser who is the most creative, intelligent and committed Financial Director I have ever been privileged to share a crisis with.
- Two people I want to highlight: *Silke Ahrens* who was appointed our Covid-19 officer and who turned out to be probably the best Covid-19 coordinator on this planet. *Dgini Visser* who twice a week for the whole of 2020 shared encouraging voice messages with all employees to focus on mental health issues. She did this despite going through a tough time herself with extended regional lockdowns for Walvis Bay. Dgini, your voice carried us through 2020.
- *The government of Namibia.* I was privileged to engage with government from early on in this crisis alongside other industry representatives. I wish to thank all those officials and Ministers for your willingness to listen and your commitment to the future of our industry.
- *The Namibian Gondwana Card holders.* Thank you for supporting Gondwana in the most difficult of times. We will continue to craft our future and our products ensuring that we keep them accessible to Namibians.
- *The Gondwana Care Trust.* It is testimony to our brand that during our most difficult year ever the Gondwana Care Trust had its best year ever. Never before could we have had a bigger impact in a time when it was so much needed. I believe the character of a nation is revealed through how it looks after its most destitute and less fortunate, even more so in times when it is difficult to do so. A big thank you to all our supporters during 2020.

We are proud of what we stand for. We are proud to stand for each other, we are proud to stand for Namibia, we are proud to stand together, but mostly we are proud to stand for Gondwana.

Ultimately, as MD, it is my responsibility. The countless sleepless hours, the fear and the uncertainty of the unknown, the self-doubt. The antidote to all this was provided by the stability and safety of the Gondwana essence, the Gondwana brand and what it stands for. Thank you to every single Gondwana stakeholder.

Love,



Gys Joubert
Managing Director (MD)

We learned that the Gondwana of the past was no longer good enough. Our dreams and standards were high, but needed to be even higher. Most importantly, we learned how to operate in complete uncertainty.



WHERE WE'RE GOING

We live in a fast-moving and fast-changing world. Our values and culture are non-negotiable, but we remain agile in terms of our strategy. We can change course and we embrace new ideas.

Gondwana regularly critiques its strategy and whether it is still fit for purpose. We consider where we are going and whether we have what we need to get there. During the year, we shifted from our Exco into a flatter TLC structure.

We also articulated several key points for our strategy in 2019, which remained relevant in this year:

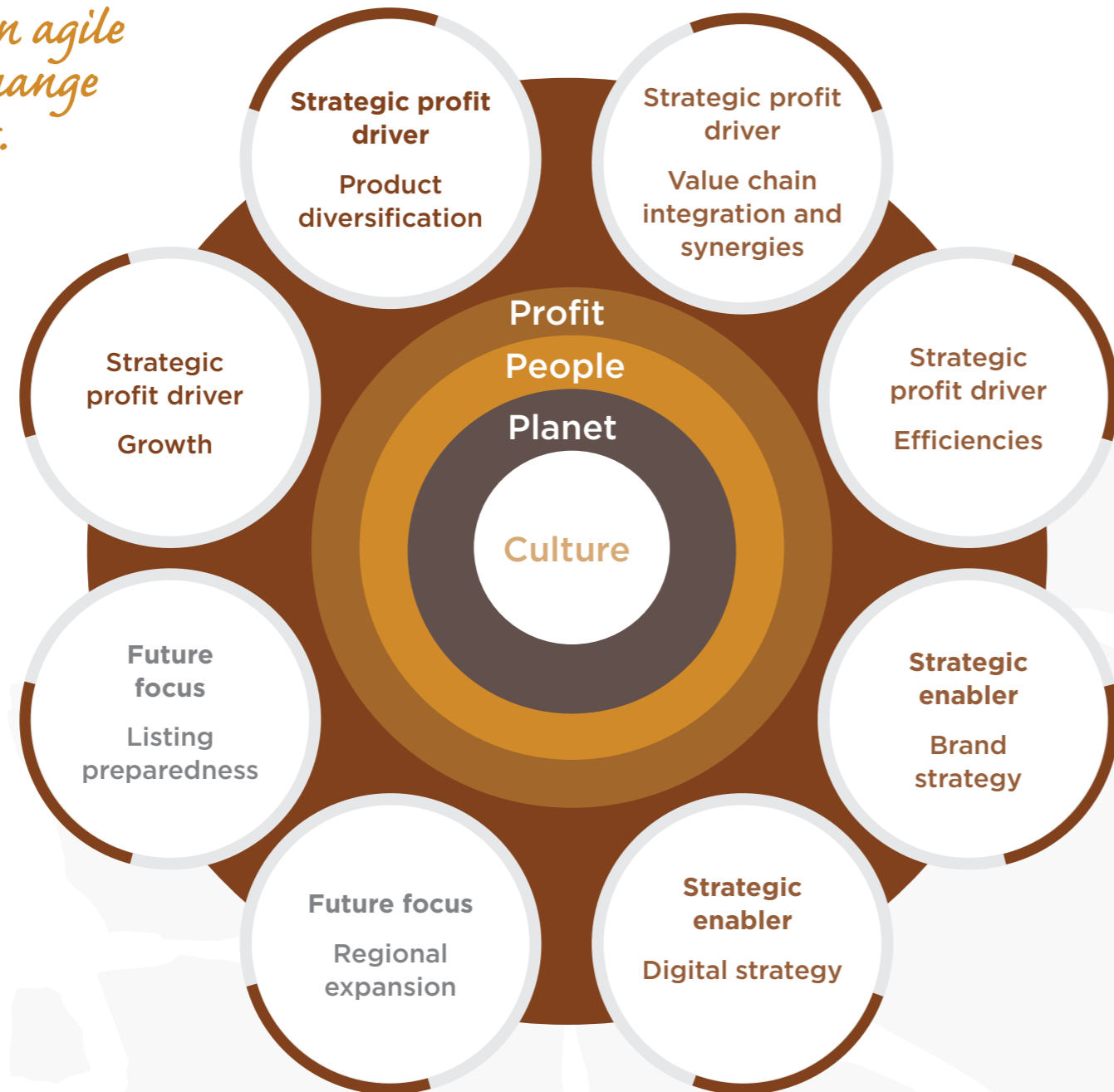
- o **Four strategic profit drivers:** Growth, product diversification, value chain integration, and synergies and efficiencies
- o **Two strategic enablers:** Our brand and digital strategies
- o **Two future focus areas:** Listing preparedness and regional expansion

Our philosophy of sustainability is central to our strategy and is based on profit, people and planet (refer to how we make an impact, starting on page 36). Our actions must be aligned to our purpose, which is to make sure Gondwana and its positive impact remain for the next 1 000 years.

Our strategy evolves over time as we adapt our vision to our goals and circumstances. But our culture and our DNA will remain constant. They differentiate the experience we provide our customers and determine our attitude in hiring new talent.

Our employees and the Gondwana Guidelines allow us to preserve our culture and DNA. This filters right through to leadership where we seek out successors that will maintain our ethos.

Because we focus on intangible goals such as bettering society and uplifting Namibians, our impact isn't always quantifiable. Therefore, we refer to proof of our success, rather than performance indicators.



Covid-19 impact

The pandemic and travel restrictions drastically reduced our income during the year. Sadly, we could not put as much money towards strategic plans as we wanted to, and we needed to cut all non-essential expenses. However, our dedication to Namibia and Namibians is non-negotiable – we maintained our support, both by refusing to retrench employees and through donations and community projects.

We were able to weather the storm thanks to strong leadership, employee buy-in and a strong financial position from a history of careful investment choices. As per our philosophy and policies, travellers' deposits were protected, allowing us to avoid challenges faced by other operators who use these funds to conduct their business.

A new structure, a new team

We restructured our business to drive innovation, dismantle hierarchies, ensure seamless knowledge sharing across the business and present Gondwana as a one-stop-shop for customers.

Historically, Gondwana's increasing participation in the value chain, such as car rental, raised concerns from our suppliers or partners who operated in those spaces. The 2020 crisis put many players in the value chain in distress, and they could not honour their commitments to Gondwana, which led us to realise that we needed more dependable partnerships. As such, we began to restructure Gondwana in the final parts of the year to present a one-stop-shop for customers that could organise their travel bookings, car rentals and hospitality, among other things. This serves our customers better by greatly streamlining their planning experience and lowering costs, while earning Gondwana more money.

To be a one-stop-shop, we need to present all our brands together as one Gondwana. To this end, we considered how to have all brands operate with the same knowledge and how to make sure they do not compete with or contradict one another in terms of, for example, accommodation bookings.

We restructured the back-end of our business into scalable, brand-agnostic support clusters that are dedicated custodians of business activities across all customer interactions.

During the year we considered how to remove bottlenecks and hierarchies throughout Gondwana with a flatter management structure. **We replaced our Exco with the 27-member TLC** comprising 23 team leaders and four executives. TLC members are equipped with functional knowledge of on-the-ground operations, and their opinions and ideas are invaluable to executive management and to other TLC members who might not have considered matters from their perspective.



We don't believe in hierarchies. Gondwana is best run when all Gondwanians have a voice and are given the tools to be self-starters.

This is a radical change, and effecting it properly is a large-scale endeavour with many expected and unexpected challenges, but these are manageable and only serve to grow TLC members into better and more agile leaders. It expects more from employees, and it requires them to take more ownership of initiatives or instructions. The TLC's full entrenchment will likely stretch into 2022. For more information on the TLC membership and structure, refer to page 77.

Growth

We grow our business at a careful, measured pace that accounts for long-term sustainability. We do not pursue growth at the expense of our DNA or our people.

Hospitality is a fixed cost, volume-driven business: costs are fixed for 12 months, but lodges are only at capacity for a portion of that time. Gondwana's profitability is therefore directly linked to the levers of capacity, occupancy and yield.

Our fixed cost model is extremely scalable; small improvements in occupancy and yield can make a big difference.

However, in 2020, the Covid-19 travel restrictions prevented us from achieving our occupancy levels while our fixed costs remained high.

Capacity

Capacity is the number of available bed nights across our accommodation offerings.

Drivers: We grow capacity by building or acquiring new properties, or by adding to existing properties. We also enter into commission-earning marketing agreements where we sell additional bed nights at a lower fixed cost. Growing relevant capacity is a continuous focus for us.

Occupancy

Occupancy refers to the number of occupied bed nights, divided by the total number of available bed nights.

Drivers: Occupancy rates vary, depending on the type of lodge or hotel, our location and guest experiences. We grow occupancy through direct and indirect sales and targeted sales drives in the low season.

Yield

Yield refers to the total net revenue earned per occupied bed night. It is calculated as net revenue after commissions and discounts, divided by the total amount of guests.

Drivers: Yield is driven by what we call the rack rate, or the advertised price of the bed. This varies across the Gondwana Collection because of our range of offerings. Yield is reduced by the amount of discount given or commission paid off the rack rate. Direct bookings produce a higher yield.

7%

growth in capacity in 2020

2019: 12%

17%

occupancy in 2020

2019: 50%

N\$1 918

average yield

2019: N\$1 984

Decrease of 3%

Yield is also driven by the amount guests spend on additional activities while at the property.

In a normal high season, when our properties are at capacity, we drive yield through business mix and ancillary offerings like game drives, guided hikes or sleep-outs.

Performance

During 2020, travel restrictions brought tourism from Europe to a standstill. This resulted in significant drop in our occupancy levels and yield, while the bulk of our fixed costs remained. As a result, we could not grow at historic rates. However, we finalised construction of Etosha King Nehale and Palmwag Camping2Go, increasing our capacity.

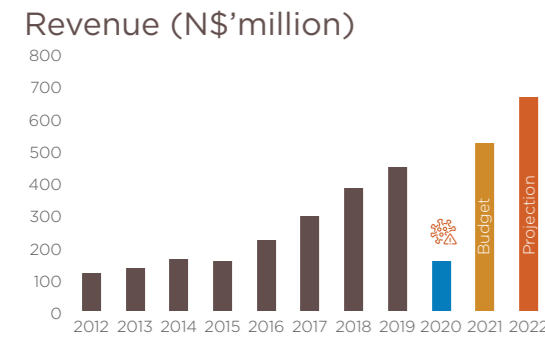
Many industry players responded to the decline in tourism by offering significant discounts to domestic and regional source markets. We decided not to immediately follow this trend, as we believed the extreme price competition would not be sustainable, especially in a year like 2020. Instead, we improved the value of our existing Gondwana Card offerings (refer to page 17). We continue exploring source markets beyond Europe to improve our business during low season, and we are considering regional franchise models like expanding the Camping2Go product.

Proof of our success

We consider **year-on-year annual revenue growth** the measurement that demonstrates if we are achieving overall growth. This year's revenue was directly impacted by the Covid-19 pandemic.



11%
average annual growth



Product diversification

We are diversifying our offerings to better benefit from market opportunities, and to protect Gondwana from over-reliance on a single industry.

Gondwana offers choice. Our businesses cover the full spectrum of experiences, services and accommodation gradings. We recognise our dependence on a single market segment and are expanding our services beyond tourism.

During the year, we introduced the Suzuki Jimny car for rental – an affordable rental option for a wider customer base. We opened our ecommerce platform The Narrative Namibia as a curio and vintage collection store. In time it will become a more expanded retail asset that sells a variety of products and is fully integrated on all online platforms. With the expansion of our direct sales department in 2019, we are able to offer more products and events to corporates and individuals. One example of this is Weddings by Gondwana at five of our venues. Each location has its own unique charm, and couples can choose between any degree of small-scale intimacy and larger festivity for their wedding celebration. We hosted our first wedding in October 2020.

Furthermore, we monitor market dynamics and are agile in responding to trends. The main trends we have seen over the past year are described next.

¹ <https://www.cnn.com/2016/05/05/millennials-are-prioritizing-experiences-over-stuff.html>



The Narrative Namibia – Gondwana's online store

Collect your favourite Namibian memories online.

International customers have been requesting an online store for some time. They enjoy the ease of online shopping and want permanent reminders of their experiences in our country. During the complete standstill in tourism, our Curio Team took the opportunity to create this platform to take our curios to our travellers. They launched our online curio store, The Narrative Namibia, in November.

The Narrative Namibia sells Namibian-branded products made by local artisans, with emphasis on supporting income-generating partner projects. Some of its products directly support the Gondwana Care Trust. It is still in its infancy, and we aim to facilitate bookings through this platform in time.

A shift from tourists to travellers

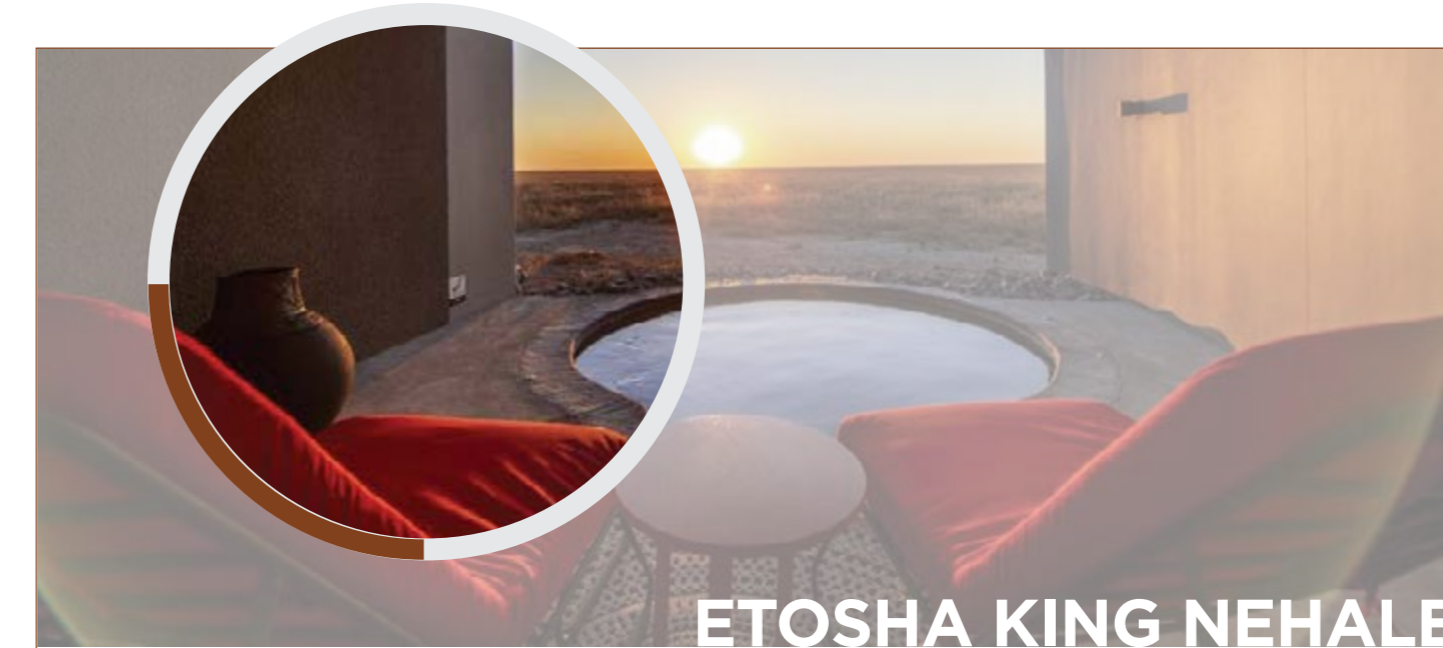
Covid-19 has forced citizens to stay put in their homes. Many of them reassessed their priorities and decided to take longer breaths away from the rat race by pursuing meaningful experiences. For example, Harris Group conducted a study that found 72% of millennials prefer spending money on experiences rather than material things¹. People are shifting from a tourist mindset to a traveller mindset. This means avoiding a tightly scheduled 'cookie cutter' trip alongside large crowds, in favour of a more unique experience where they ingest the country, its people and its culture, and have self-catering options.

We are fully able to accommodate any change in travelling needs through services such as Namibia2Go, Safari2Go and The Cardboard Box Travel Shop. We are taking part in larger parts of the value chain so that prospective customers can organise their travel, accommodation, tour guides and vehicle rental through us as a one-stop-shop. Previously, industry operators were wary of this blanket involvement, but the pandemic has disposed of these sensitivities and led us to be more forward in our vertical integration.

Providing choice for all budgets and travel preferences

From families and individual travellers who prefer budget accommodation options, to international travellers who prefer exclusive, distinctive stays, we cater for a broad range of market segments and respond to customers' changing preferences. The opening of Etosha King Nehale expanded our Premium Collection offering.

Although we only added the Etosha King Nehale and the Palmwag Camping2Go products in 2020, we remain aware of changing market dynamics as budgets and travel flexibility are impacted by the pandemic. We will pursue opportunities as they arise.



While travel restrictions halted our yield for the year, we consider our success to be visible in the optimism we displayed by completing Etosha King Nehale in the middle of a lockdown. The lodge is an example of a new direction Gondwana is excited to take into community-focused, cultural, historical tourism. It is a true partnership between the company and the local King Nehale Conservancy community.

The world-class lodge was only completed after consulting with the king of the Ondonga traditional authority. It is prepared to leave visitors with memorable and meaningful experiences by giving a themed cultural experience as opposed to a mere holiday visit.

Proof of our success

We consider an increasing yield per guest as proof that our vertical and horizontal integration in the tourism value chain is successful.



Value chain integration and synergies

We aim to be a one-stop travel shop for all our customers' needs.

Our goal is to be a one-stop-shop for travelling. We have positioned ourselves throughout the tourism value chain, including travel bookings, car rental, hospitality and tour guiding businesses, through the purchase or establishment of relevant service entities. Through this positioning we can better service customers, offer better deals and they do not need to deal with multiple siloed businesses. Integration also improves our margins and collects business data that improves our understanding, connection and engagement with customers. It helps us to achieve greater scale and grow efficiently, as well as identifying overarching trends.

In the final months of the year, we reassessed our systems and processes and reorganised Gondwana accordingly to deliver a seamless customer service. The value chain remained the same, but our service approach shifted to a complete customer engagement one-stop-shop approach.

Proof of our success

We view revenue as an indicator of our success in integrating our businesses and leveraging synergies.

Our dependence on operators has reduced from 82% in 2016 to 69% in 2020.



Revenue for 2020



N\$11 million
The Cardboard Box Travel Shop
2019: N\$71 million

N\$9.2 million
Safari2Go
2019: N\$3.6 million

N\$4.5 million
Namibia2Go
2019: N\$8.6 million

Efficiencies

We maximise our profits by cutting costs anywhere they aren't strictly necessary, to improve the value of every dollar we spend.

We monitor, measure and manage our cost structures with the goal of decreasing our cost to income ratio over time.

This includes leveraging our head office functions, buying power, logistics and supply chains. One of Gondwana's differentiators is that we have centralised support functions serving all our businesses. Since hospitality is a fixed cost, volume-driven industry, we can scale and service new ventures through these functions.

Efficiencies also have a positive environmental impact in terms of less waste and lower food miles because of local procurement.

As we continue integrating our value chain and solidifying our in-house IT expertise, we will improve our synergies and improve our cost savings.

Proof of our success

We measure the success of our cost-efficiency initiatives by the amount of **money we spend per guest bed night**.

As the pandemic halted our business, our measures of success (such as energy spend per guest bed night) were not useful indicators of our performance in 2020. However, once implemented, our customer relationship management (CRM) system (page 34) will allow for excellent efficiencies by profiling customers for future interactions on any platform. This carries opportunities for upselling our products.

Brand strategy

Our sincerity, warmth of service and the distinctive character of each of our properties give our visitors the unique opportunity to feel instantly and deeply connected to their destination. And so, we arrive at the single idea that captures the essence of our brand ...

Have a story to tell.



The Gondwana Card



YouTube



The Gondwana Corporate Card



LinkedIn



The Cardboard Box Travel Shop



Facebook



#itsup2us



Aux 4 Coins de la Namibie



Namibia Focus News



Namibia Weather



Namibia Parks



Instagram

Our brand strategy has made Gondwana the biggest and most well-loved tourism brand in Namibia.

As shown on page 9, our brand is at the core of our structure. It encompasses our DNA and drives our direction.

We have always followed a strong content-driven marketing strategy and have built many strong connections through storytelling and shared interests. This approach has lent itself well to the age of social media where communities are built around shared stories and experiences. Social media gives us a bigger-than-ever platform from which to tell Namibia's and its communities' stories. In this way we build and differentiate Brand Namibia from the rest of the SADC, and we magnetise more travellers to our country and promote our company.

During the pandemic, travellers showed an interest in experiential holidays that are more than just a few weeks away from home. They are looking for authentic cultural experiences that follow a slower pace than before. We adapted to this trend by working to position Namibia as a travel hub. Through, for example, Camping2Go we can offer a story and an adventure rather than a series of visits to lodges.

Our brand strategy has online and offline components and is mindful of changes in communication, communities and the ways in which they share interests and information. We deliver tailored content through the correct channels to reach our target audience.

This direct link to our potential guests has lessened our dependence on operators substantially since 2016, which improves our margins. It has helped us expand our visibility into more source markets, which should help offset the low season, as different countries have different holidays.

EXPERIENCE NAMIBIA VIRTUALLY BY VISITING OUR YOUTUBE CHANNEL

<https://www.youtube.com/user/GondwanaLodges>



To broaden our focus and to reach as many stakeholders as possible, we collaborate with various partners to promote Brand Namibia:



Namibian Tourism Board



German television



CNN



Bank Windhoek



Air Namibia



CYMOT cycle and motor spares



Hitradio Namibia



Kanaal 7



Future Media



Capricorn Group



Michelangelo Magazine



The Naturalist Collection

Proof of our success

We track online visitor numbers and engagement profiles to increase our conversion rates, and to adapt our sales strategy to gain more visitors.

We use the TrustYou brand reputation management platform to determine if the Gondwana brand is strong, vibrant and healthy.

Within 10 months, our Instagram following grew by 10 000.

We reduced our dependence on operators from 82% in 2016 to 69% in 2020.

301 445
visitors to the Gondwana website
2019: 420 000

3.2 million
Gondwana business listing views
2019: 6.6 million

131 million
article reach
2019: 81.7 million

89%
TrustYou score
2019: 89%

Digital strategy

As we enter the Fourth Industrial Revolution, we need to harness data and information to grow, diversify and deliver the best possible service.

We believe our digital capability is a critical pathway to navigate the Fourth Industrial Revolution. While we froze expenditure in most areas of our business, we allocated funding to expand our IT competence, including hiring a Chief Information Officer.

The most important IT value-adds are in:

- Developing an efficient platform for digital marketing. This function will move to the Sales and Marketing Teams, having traditionally been under IT's ambit.
- Establishing a Web Development Team, with a changing focus on direct digital marketing. The ability to rapidly update any of our web assets in-house is becoming strategically essential.
- Implementation of the new CRM system and integrating the customer engagement centre, sales and marketing processes to make optimal use of the new system.
- Streamlining and integrating various accounting systems to deliver real-time management reports.
- Simplifying administration processes, especially in facilitating bookings and seamless payment tracking.
- Continue to improve and take on the challenge of creating a digital infrastructure such as WiFi even in our remote lodges where internet connections are not dependable.

Our IT objectives

Our overarching objectives are to build skills in IT and build a data warehouse. We use data across the business, mainly for customer segmentation, marketing and to develop agile products.

We traditionally outsourced web development and hosting, but we want to bring them in-house to exercise better creative and functional control with reduced costs. In the short term, this will provide higher capacity for project execution. In the medium term,

it will allow us to build a skills base of employees that can dive into multiple projects dealing with bookings systems, integrations, data management and application development.

Data aggregation and analysis assist with our strategic planning, and high-quality data indicates areas of high and sub-par performance. We are building a digital data warehouse to manage data and allow for more rapid integration. This will provide the high-quality data we need and allows us to develop and package products (such as our upcoming travel app) faster, and to be more flexible.

The overarching theme for IT is to make things seamless, painless and, most importantly, efficient.

Other focus areas for the year included:

- Expanding our online presence:** We focused on better managing and/or reducing the websites we inherited through acquisitions or created for strategic reasons such as reaching customers in multiple languages. The IT Team is re-engineering our online presence with a fully responsive and adaptive website. This vastly improved website will offer numerous functionalities including lodge based payment options, while being integrated directly with our CRM sales and marketing platform. It will also integrate with The Narrative Namibia which holds potential for future ecommerce growth. In future, strong integration will allow small-scale travel agents direct access to sell and book through our platform.
- Improving our online functionality:** We began bringing development in-house, as discussed above.
- Ecommerce:** We supported the launch of an online curio shop, The Narrative Namibia, on the off-the-shelf ecommerce platform Shopify (refer to page 30). This project was launched by the Curio Team during the most stringent Covid-19 lockdown period in 2020. We are also integrating the site to our Gondwana Web Store, with our other web and advertising sites, social media platforms and promoting the shop further through physical branding at all our locations.
- Overview of online target market segments:** We signed up for a CRM system to assist with segmentation and to bring Gondwana to its customers. It will allow us to test different segmentations, and to coordinate adverts and marketing campaigns. It will allow us to better profile customers to keep track of their activities and history regardless of the point or website at which they engage with Gondwana. Customers will be able to use a single point of contact to facilitate their entire trip, from travel advice to car rentals, to accommodation bookings, to tours and more through our Gondwana Travel Centre, focused on customer engagement and relationship management.

Expanding IT in our business

The IT Team is re-engineering Gondwana's online presence with a fully responsive and adaptive website. The added functionalities on the website will unlock more potential to sell online, making the website a one-stop travel shop for Namibia. The custom-built ecommerce shopping store will also enable Gondwana to sell packages, Namibia2Go and curios, opening a whole new income stream. This, accompanied by a focused marketing strategy and value-adding products, allows the Gondwana Collection Namibia to offer a turn-key tourism experience to local and international travellers.

We implemented a personnel management module to track, measure and document employee performance, training, and development. The system will feed into talent performance and management in the future.

Trends in IT

Cloud-based technology and solutions are gaining momentum as business platforms. This goes hand in hand with a focus on developing application programming interfaces (APIs) (the interfaces that translate information so different systems can communicate) to be more flexible and capable of exchanging wider arrays of information.

These online solutions are challenging to implement at our remote lodges that struggle with stable internet, therefore we have invested in inventory and booking solutions that allow us to continue as normal if internet drops.

Automation and personalisation

Travellers are increasingly making their bookings through websites and from mobile devices. This is more convenient for them and, if data is properly captured, a less expensive prospect for advertisers. This is one of the reasons why we consider our IT capabilities essential to participate in tourism over the longer term.

Previously, a single traveller might have interacted with us through various websites and might have done so for themselves or different friends or family. Our new CRM system will create customer profiles which allows us to track their activity and preferences. This way we can tailor better experiences to them, cross-sell products and services, and encourage return trips.

Social media is an important step in this advertising drive as travellers' posts are often the first point where their friends see our offerings.

Covid-19 impact

As Gondwana operates in more parts of the value chain, IT equipment needs to be moved around and accommodated on our platforms. This consolidation also means that inherited websites have to be incorporated with our branding, and we need to be shrewd on how to present ourselves to potential customers who might be familiar with an acquired entity's branding.

In a post-pandemic world, we only need to be found – website visits are easily converted to sales because our content marketing is effective. Therefore, we need to consolidate different websites to better create a consistent message across our platforms.

The new CRM system will be invaluable here, as it will allow us to disseminate single messages throughout all our platforms and to consolidate data on a single dashboard.

Proof of our success

We measure our IT performance through:

- The number of direct bookings we receive, as this is the most important contributor to our bottom line
- User experience, which we measure informally through complaints and reviews
- Internally, server downtime, availability of access points, infrastructure stability and ease of new products' integration and development

We are developing an app that will be able to track guests' experiences at lodges, but also facilitate their journeys through an information portal and offer them continuous interaction with the billing system resulting in fast, effortless checkouts.

Looking forward

Our digital priorities going forward will be to prioritise our CRM system, expand our team, complete our data warehouse and apply the data we glean into our marketing.

Future strategic focus areas

Regional expansion

Although we are Namibian first and foremost, we can deliver the same value that we give to Namibians, to our neighbours.

We will continue to unlock value in Namibia's tourism potential, but have started to look at neighbouring countries for opportunities to expand our footprint and add value to our current offerings. Tourism in Namibia is already regional, as many tourists visit multiple countries in the same trip. The two biggest destinations in our region are Cape Town and Victoria Falls. Multiple factors determine how far and how quickly we will aim to expand, including Covid-19 and the outcome of the business interruption insurance claim, but we see the following potential benefits of expansion for Gondwana:

- It will diversify our risks between Namibia and source markets
- It will provide a platform of hard currency income, since tourism in Botswana and Zimbabwe (Victoria Falls) is predominantly US dollar based
- It will expand the Gondwana offering regionally, moving us closer to becoming a one-stop-shop for regional tourism

We believe our neighbouring countries will benefit from our presence, culture and values. Particularly our conviction that benefits must flow through to local communities. Our new TLC model is also scalable and cluster experts can be relocated to new locations to be a secure platform from which to do business and to develop skills in that geography.

Initially, we will focus on expanding into southern African areas that complement existing Gondwana properties to form a travel circuit.

Long haul flights directly access Victoria Falls, and there are flights and transfers available between Victoria Falls and Maun in Botswana. If we develop our property at Victoria Falls, it will offer a strategic vantage point for travellers to enter Namibia, and it will increase our access into new source markets.

New destinations expand the value of the Gondwana Card as well.

Listing preparedness

Although we do not necessarily plan to list, we are positioning ourselves to have the option. Listing would allow us to raise capital at lower costs and give more ownership of Gondwana to Namibians.

For a national player with considerable impact, a listing is compelling. The Gondwana Board and TLC are plotting a path to potential listing if it becomes opportune and provided that it does not harm our culture, DNA or values.

During the year, we engaged in a Bond Programme as a precursor to our potential listing. Previously, we had traditional financing models.

After a lengthy process undertaken by the Board to find more favourable banking and financing options, relevant to the unprecedented business trading conditions that dominated 2020, Gondwana restructured a portion of the secured short-term overdraft into a more flexible long-term facility. Gondwana strategically moved away from a single bank facility to multi-banking facilities.

The Bond Programme is an extra weapon in our arsenal to leverage the opportunities that cross our path. It allows us to list our bond and issue it directly to the capital market and asset managers, which means bigger exposure for our brand. This is a great first round for our listing process because it is in the same industry with the same players, compliance measures and yielding.

We submitted the Bond Programme to the NSX and obtained approval in December 2020.

In preparation for a possible listing, we also:

- Adopted King IV and continue to update our governance structures and policies
- Begun annually publishing a Value Creation Report
- Finalised our Bond Programme
- Appointed EY as auditors in 2019
- Delegated our share administration to transfer secretaries
- Changed to more suitable and flexible banking and financing options.



We use tourism to profit Namibia, not the other way around.

- Our people enact our culture, values and DNA. They are central to our strategy and our purpose.
- We invest in their training and development, despite challenges such as in 2020.
 - Every employee is accountable for living our culture and values.
 - We maintain a positive impact on the communities around our properties but also on Namibia's people as a whole.
 - People, page 39 | Communities, page 50



- Sustainability depends on profitability. The business strategy for sustained profitability is based on the following:
- The traditional model whereby we grow available bed nights, in Namibia and beyond.
 - Value chain integration to become a one-stop travel shop. Our non-traditional services are growing and include car rental, tour planning, etc.
 - Improving our modus operandi through efficiencies and synergies. We invest in technology and optimise our logistics and buying power to get the best value for each dollar we spend.

Environmental sustainability is a result of how we do business. We monitor our environmental impact and strive to improve it. We hold each other and ourselves accountable for our impact and protection of the environment.

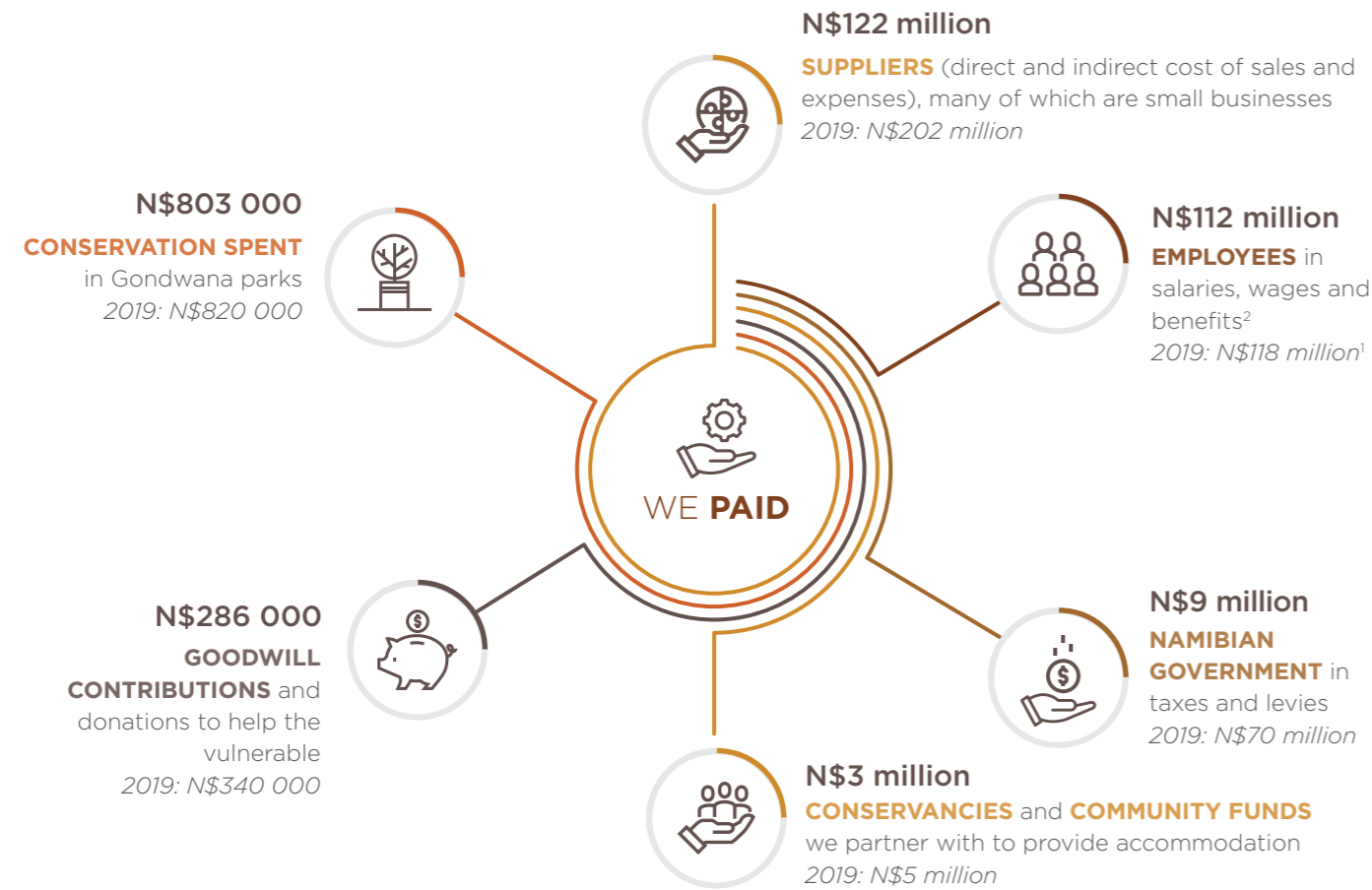
Planet, page 63

How we **MAKE AN IMPACT**

- 39 People
- 50 Communities
- 63 Planet
- 72 Profit: sustaining our impact

We do business in such a way as to **make Namibia and the world a better place.**

The financial value we distributed



Payments to suppliers and other Gondwana-dependent stakeholders are directly linked to operational costs and thus impacted by the effect of the Covid-19 lockdown on our business.

WE DISTRIBUTED No dividends to shareholders³
2019: N\$17.5 million

WE SPENT N\$76 million in ASSET DISTRIBUTION (acquisitions, maintenance and upgrades)
2019: N\$139 million

DISTRIBUTED TO THE GONDWANA CARE TRUST AND OTHER DONATIONS N\$2.2 million to NAMIBIANS in need
2019: N\$1.5 million

¹ 2019; Increase in salaries, wages and benefits due to the acquisition of Palmwag and Omarunga Epupa-Falls in May 2019 (6 months)
² 2020; Reflects the salaries, wages and benefits for Palmwag and Omarunga Epupa-Falls for a 12 month period and for Etosha King Nehale for a 5 month period. Due to Covid-19, cost savings measures were implemented like the restriction on overtime and shift allowances as from April and voluntary reductions in salaries as from October.
³ No dividend was distributed.

PEOPLE

Gondwana's people are an indispensable part of our operations. They do not represent Gondwana, they are Gondwana.

Why our people are important

Our country has a great need for quality employment in rural areas. Of Namibia's approximately 2.54 million people, only 55% live in urban areas. At the end of 2020, youth unemployment stood at 41.17% (2019: 39.53%), and the national unemployment rate stood at 20.59% (2019: 20.27%), according to Statista.

As the largest private employer in some rural areas, Gondwana meets this need, and our economic contribution is apparent. In conservancies we employ nearly 300 Namibians directly from the surrounding communities.

We aim to be an employer of choice that fosters a sense of belonging, dignity and self-confidence among employees. We believe in providing job security and a stable, fixed income to our employees, which is why we prefer full-time above seasonal employment. Even in 2020, when we lost 66% of our income, we refused to retrench a single employee. Employees also get to travel and experience the country as and when they are being transferred between lodges.

Our stable and loyal workforce is a great asset to Gondwana, as it is the face of our business. The appeal of our brand enables us to attract, retain and develop a loyal, talented and diverse workforce: people who have the Gondwana DNA and do things according to the Gondwana Way.

Our success directly empowers Namibians, especially those in rural areas. We uplift them by employing, training and developing them, and paving the way for their careers.

Covid-19 impact on our people

The health and wellbeing of our people was our top priority during a year that greatly affected each of their lives.

Lodge-based employees had extended periods at home as lodges were shut down, and only small rotational teams remained to maintain and look after properties. While we proudly maintained salaries, employees who needed to be off-site had to sacrifice their daily company-subsidised meals. Windhoek-based employees efficiently adapted to working from home with new or amended work schedules.

Many members of our dispersed teams live in remote areas, which made constant communication difficult. We established WhatsApp groups to send official updates and internal letters and eventually voice notes of encouragement to them. This helped keep our people reassured of Gondwana's resilience and their job security.

The initial lockdown affected families with children, as schools were closed while some employees had to continue working. Gondwana implemented flexible schedules to accommodate moms and dads who had to rotate parental duties. This created a difficult period of adjustment but presented an opportunity to determine whether flexible schedules could work for Gondwanians in future.

We applied a hiring freeze, but we honoured our commitments to new hires. The Board approved the appointment of a Chief Information Officer to deliver our IT strategy. While recruitment was frozen, we encouraged candidates to send us their CVs so we could be ahead of the curve in vetting candidates.

We aimed to put 65 new Namibian interns on fixed-term contracts, looking to employ them after their internships, but the pandemic and travel restrictions lowered this figure to 25. We also had to delay our partnership with the Ministry of Home Affairs and Immigration and the Federation of Namibian Tourism Associations (FENATA) to provide training to customs officials at Windhoek's Hosea Kutako International Airport.

"Gondwana has invested a lot in my training, knowledge and development, and I'm very grateful." – Agnes lipumbu

Meet some of our people



Agnes lipumbu

Agnes grew up at Onumba village near Oshikuku where she dreamed of working as a hotel manager or social worker.

She joined Gondwana Canyon Roadhouse in 2005. At the time, she was a student from Baumgartsbrunn, sponsored by the Helmut Blecks Foundation. A Gondwana employee immediately recognised her potential. Soon after she completed her two years' hospitality course at Baumgartsbrunn, she was permanently employed at the Namib Desert Lodge as Guest Relation Officer.

In 2012 she transferred to Etosha Safari Camp as Assistant Camp Manager, finally becoming Etosha Collection Team Leader in 2020, where she oversees 170 employees at three locations. She mentored and led the team that was responsible for the opening of Etosha King Nehale alongside the King Nehale Conservancy team. Agnes participated in the GO1000 Development programme for senior managers in 2020.

Through Gondwana's training and development programme Agnes completed a three-year certificate in hospitality management from the University of Johannesburg, which she passed with distinction.

What we do for our people

By our nature, our success flows through to Namibians. We channel our profits into employment, training, personal development and career growth for Namibians, especially those in remote areas.

- 1. TALENT MANAGEMENT
- 2. LEARNING AND DEVELOPMENT
- 3. REMUNERATION AND REWARD
- 4. EMPLOYEE HEALTH AND WELFARE

We actively nurture and grow better humans who activate our strategy and the Gondwana Way. This isn't lip service; we invest aggressively in our people through our Hospitality Training and Leadership Academy and related development programmes. By following the Gondwana Way, we build better people, a better business, better communities and the best service to our customers.

This is our culture, and the People Team is its keeper. It is responsible for our employees and support business functions. We view people management holistically and the team's responsibilities are divided into four pillars: talent management, learning and development, remuneration and reward, and employee health and welfare.

Our employee value proposition strategy ensures we remain the employer of choice in Namibia, leading to a wide pool of talent to choose from. We focus on the entire employee value proposition, as opposed to only job satisfaction and a basic salary. The Gondwana Culture is as important as a healthy balance sheet - the benefits should far exceed only a salary. PwC analysed this value proposition, and, based on its findings, we trained the People Team on job and positional grading. The project was halted due to Covid-19 restrictions and will resume in 2021 if funds allow.

1. Talent management

Talent management encompasses all traditional human resources (HR) functions like recruitment, promotions, labour relations, occupational health and safety, and talent management.

Gondwana believes that diversity makes us stronger, and is a driver of creativity and performance. We build diversity by recruiting people from varied backgrounds - our employees mirror the cultural diversity of the country. We aim to continuously improve the quality of leadership and management, enhance productivity and service excellence, and foster an environment for optimal employee engagement and efficiency.

With the acquisition and development of each lodge and business, we offer quality employment to a growing number of Namibians each year. Luckily, Namibia's lockdown only happened in March, by which time most of the Hospitality Training and Leadership Academy's courses had been completed. Leadership development continued as planned.

A formalised talent management strategy

During the year, the development and implementation of a formalised talent management strategy was put on the backburner.

Our focus shifted to preserving employment and company resources, and supporting all employees and operations to adapt to the Covid-19

protocols and related measures. We coached and mentored teams to adapt to working from home, and to work smarter, not harder.

Meanwhile, the Talent Team explored various talent management programmes that would integrate with our current systems, and that could be customised to our needs. This will be pursued again once finances allow.

Employee retention rate

86.42%

2019: 80.67%

We aim to uphold an annual average retention rate of between 80% and 85%.

As at 31 October 2020, Gondwana employed

1 061

people

A full programme of recruitment, onboarding, inducting and training took place for new employees at Etosha King Nehale.

Employee value proposition



Learning, development and empowerment

We facilitate and manage the Gondwana Hospitality Training and Leadership Academy; support the National Training Authority (NTA) and their initiatives; and provide training opportunities to conservancy residents.

Career

We employ and empower Namibian people. They have ample personal development and career growth opportunities.

Culture

Culture is what differentiates Gondwana and defines our approach to work, our fellow employees and the experience we provide to customers.

Work environment

Gondwana sets the benchmark in employee accommodation, over and above compliance with occupational health and safety regulations.

Compensation

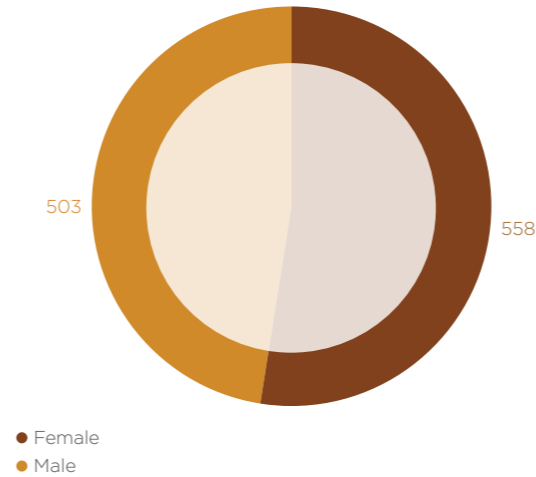
We pay equitable salaries, and offer an employee shareholding scheme and profit sharing.

Benefits

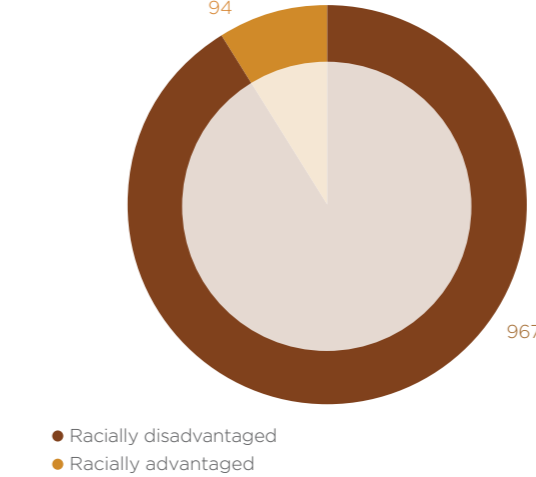
All employees receive pension fund, medical aid, disability and funeral benefits.

Employee demographic breakdown

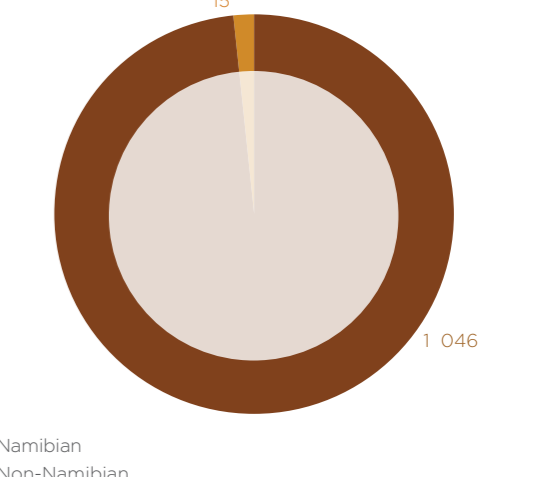
Gender - number of employees



Number of employees



Nationality - number of employees

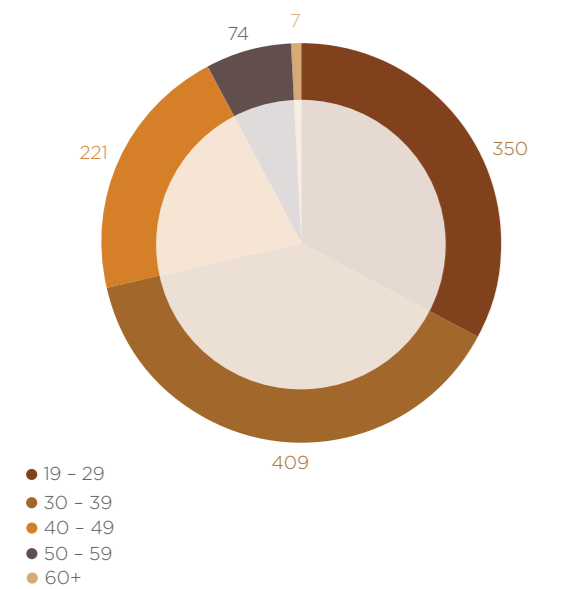


Age range of Gondwana employees

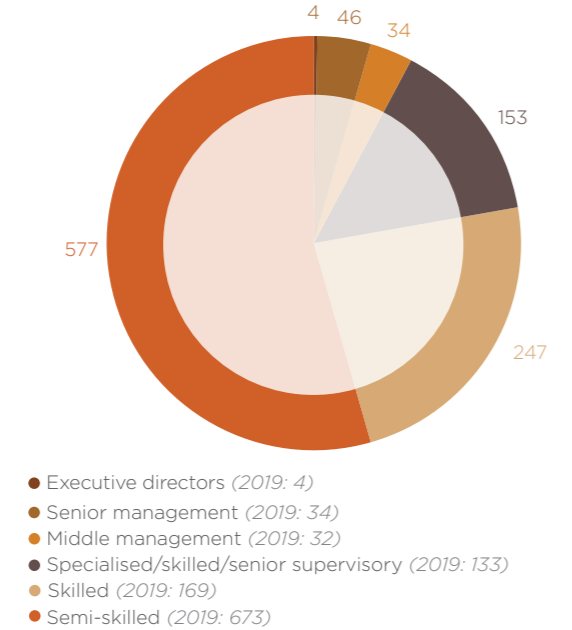
71.5% of Gondwana's employees are between 19 and 39 years old, an age range where many people choose to start families. This results in a high rate of annual maternity leave and employees resigning due to family commitments.

To support these employees, we have a policy whereby female lodge employees' children can live at the lodges with childminders for the first two years of their lives. Furthermore, Gondwana provides food, accommodation and transport to and from the lodge for childminders, and employees pay them a monthly salary.

Age range – number of employees



Employee profile by job category – number of employees



We inject our DNA into Gondwanians through our Hospitality Training and Leadership Academy.

2 Learning and development

Our investment in training reflects a true commitment to our people – we aim to directly train at least 70% of employees annually. We believe that the return on investment is enormous, easily outpacing that of new lodges or ventures. As such, we continued developing and supporting leadership but also worked on Covid-19-related training, incorporating wellness support and team building.



Covid-19-related training

Gondwana's Learning and Development Team quickly realised the extent of additional knowledge employees needed. It developed a multi-pronged approach to disseminate information quickly and effectively, and implemented the following programmes as soon as regional travel was allowed:

- o **Covid-19 awareness training** with OSH-Med International. This taught general facts about Covid-19, its history and methods of spreading, as well as preventative measures including masks and hygiene.
- o **Covid-19 workplace preparedness training** with Tour Guides Association Namibia (TAN) and Sole of Hospitality. This included preparation for guides, and compliance with international hygiene standards and guidelines in hospitality.
- o **Training on Covid-19's broader impact** with an external trainer and coach. This assisted teams to organise more effectively and balance their inter-personal relationships, focused on their mental wellbeing during lockdown, and included reflections and learnings from the lockdown.

“The real impact of the training became evident when one of our colleagues in the Zambezi region came to thank the trainers after a session, stating that now he understood that the safety protocols were not only to protect the guest, but himself, his colleagues and family as well.”

The Gondwana Hospitality Training and Leadership Academy (the Academy)

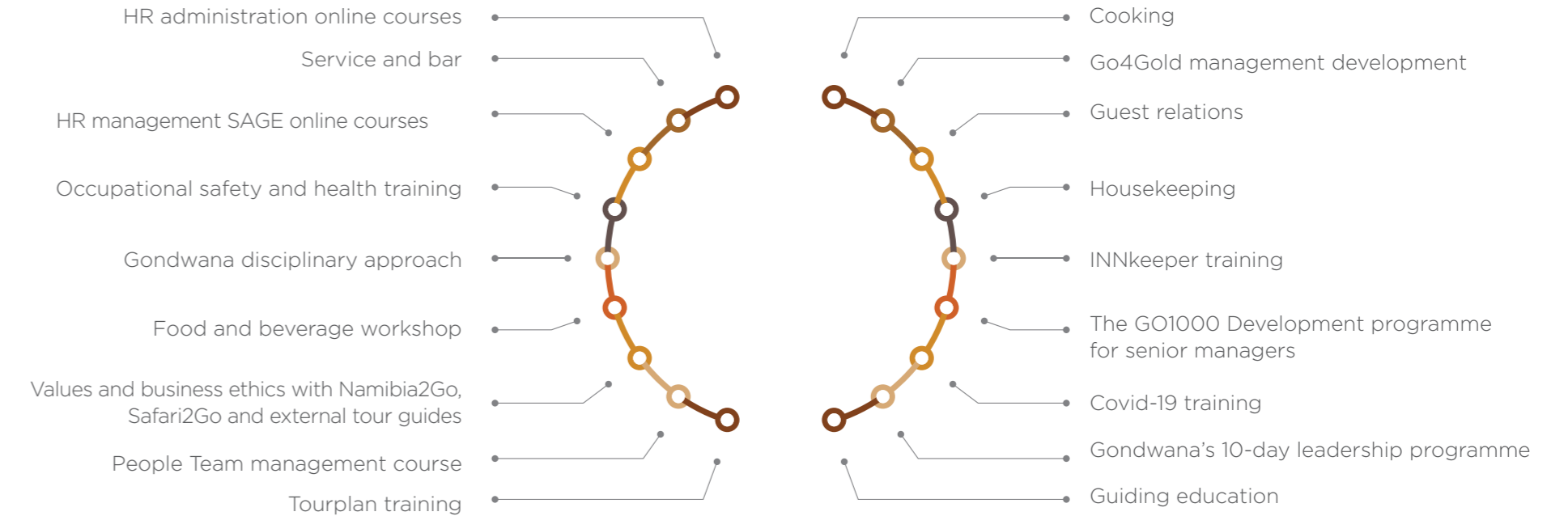
The Academy began in 2015 to provide a platform of growth for our people.

It was developed to enhance both the company's quality of service to guests and the professional development of our employees. Of the first class (2015), 30% are now in senior positions, including collections managers. We believe that investing in our employees yields much higher returns than expanding our business, and we continued financing the Academy despite our lower revenue.

The Academy builds a foundation for engaged employees to live the Gondwana Way. We believe employees develop optimally when given the opportunity to discover their own worth and position. Therefore, besides industry knowledge and skills, courses also include self-development, communication skills and methods to manage behaviour in a company setting.

Until 2020, the Kalahari Farmhouse at Stampriet was closed to guests from January to March to host the Academy, with on-site training provided either at head office or at lodges as the need arises. For logistical reasons we began moving the training away from Kalahari Farmhouse to more accessible or regional centres such as Damara Mopane Lodge, Namushasha River Lodge, Etosha Safari Lodge and Camp, and the Moonraker Homestead facility outside Windhoek.

Courses offered:



Courses offered throughout the year

Fortunately, Namibia's lockdown came about in March, after which most of the courses had been completed.

- o Various **five-day courses for hospitality** concluded in March 2020. Courses covered housekeeping, guest relations and people management.
- o Two **leadership** programmes of 10 days were facilitated for 37 team leaders with follow-up coaching.
- o The **first food and beverages** workshop with 37 participants (lodge management and head of kitchen departments) was arranged before lockdown at Damara Mopane Lodge. This replaced the maintenance practical at the lodge.
- o **Go4Gold** is a 12-month management and leadership programme for 12 selected participants. Every two months the group meets for five working days on intense course content with direct application in the workplace.
- o As a continued support initiative, the Go4Gold facilitation team continued to provide coaching to the 2019 Go4Gold participants.

- o The **GO1000 Development programme**, is a one-year programme through which we strengthen the Gondwana brand. The programme develops Gondwana's future leaders and teaches them their role in the 1 000-year vision. This **leadership development programme** with individual coaching was facilitated by a team of external leadership development experts, and was attended by 16 employees.
- o **Gondwana People Management for Lodge Management** was offered at Kalahari Farmhouse. The course focuses on creating a learning environment, adult learning, delegation, people management, guidance in disciplinary actions, and a health and lifestyle module, offered by an external trainer.
- o The **cooking academy** at Kalahari Farmhouse was replaced by engaging with three local chefs who trained and supported kitchen teams at all the various lodges.
- o External guide trainers **presented guide education and refresher courses**, tailored for Gondwana's guides.

- o A refresher of our **INNkeeper system**, including updates, was offered to guest relations teams.
- o **Tourplan** roll out and training were under way.
- o **Learning culture and adult learning workshops** were held at Gondwana's head office.
- o Service, bar and management teams received on-site **beverage sales training**.
- o The People Team hosted a virtual five-week **disciplinary workshop** over Microsoft Teams to guide management teams through the various steps in the Gondwana disciplinary process. This included a refresher on our Code of Conduct, investigative steps and techniques, and how to prepare and execute a fair and successful disciplinary process.
- o **Environmental awareness training** was provided to 123 employees and 16 conservancy members.

Go4Gold 2020

In 2020, 12 handpicked Gondwana employees from different departments of our business completed the year-long Go4Gold programme. Participants were trained to be young leaders with modules covering life skills and managerial and leadership expertise and tools. They took part in six modules, and they completed five on-the-job projects and a year-long project.



James Babadi developed a psychological lesson plan – Level Up – to keep his colleagues motivated in response to the emotional challenges of Covid-19. His lesson topics covered:

- Loyalty
- Elite
- Value
- Educate
- Life
- Unity
- Pride



Maria Thomas wrote a dissertation on the importance of inventory control. It covered topics such as the impact inventory management has on revenue and yield management, as well as the importance of accurate guest counts for decision-making.



Francis Newman developed a set of guidelines for the characteristics that good and bad leaders exhibit, and how to be a good leader.

Extending our training footprint

Our learning and development reach also extends beyond Gondwana employees. We were one of the first Namibian companies to support the NTA. Gondwana again extended an invitation to some of our vocational training partners to join as delegates in our Academy skills courses. Two delegates joined in.

We also provide training opportunities to conservancy residents, even if they are not our employees.

We train young learners interested in a career in tourism as well as members of the broader tourism industry.

We trained 70% of Gondwana's employees.
2019: 78%

Training and development spend: N\$5.3 million
2019: N\$5 million

30% of the Academy's class of 2015 are now in top positions.

We provide funding and training to 24 young Namibians, 16 of whom are not employees of Gondwana, through an NTA-led apprenticeship programme. Participants receive a NQA Level 3 qualification.

3 Remuneration and reward

Gondwana remunerates and rewards employees in line with industry standards, but we also focus on long-term wealth creation and financial stability through our pension fund, medical aid, disability and funeral benefits, and our employee shareholding scheme.

The company contributes 14% towards the pension fund, and employees contribute 1.5%. The aim is for the total contribution to eventually reach 19%, which will ensure employees can retire comfortably, with a pension payout of at least 80% of their last salary earned at retirement. To this end, we increased employee contributions to 1.5% effective 1 November 2019.

Shareholding scheme

In 2018 Gondwana issued shares to all employees under the approved employee share incentive scheme. The initial disbursement enforced employee ownership and empowerment.

A training team spent time at each Gondwana property to educate employees on the share scheme and its long-term benefits. This effort was continued during 2019 and 2020 to further improve the financial education of all employees.

The intention remains to continue this effort based on annual company performance with the aim to create long-term wealth for all employees.

Company pension fund contributions were halted as from May 2020 to protect jobs during the pandemic. This resulted in a substantial monthly saving on operational expenses to ensure continuance of salaries. Gondwana continued paying risk and administration costs to maintain funeral, death and disability benefits, and employees continued to contribute their 1.5%. We maintained full take home pay for all employees between March and September 2020, but applied 25% voluntary salary cuts from October until the end of March 2021. Executives' pay cuts were at 40%. There will be no salary adjustments or increases for the 2021 year, and while there were no bonus payments to employees in December 2020, the Board approved once-off full salaries to employees for December in order to ensure employees were able to meet the costs of their children and dependants returning to school in January 2021.

100% of Gondwana's employees are members of our pension fund¹

Employees receive funeral benefits of: N\$20 000
Spouse: N\$20 000
Child 14 to 21 years: N\$20 000
Child six to 14 years: N\$10 000
Child younger than six years: N\$5 000
Stillborn: N\$5 000

We provide employee death benefits of three times employees' annual salaries

Employees receive disability cover of 75% of their monthly salary until recovery, death or retirement subject to certain maximum salaries

¹ Suspended as part of the Covid-19 cost-cutting measures.

4 Employee health and welfare

Gondwana has provided medical aid for all employees since 2016. All Gondwana employees have, at a minimum, access to private primary healthcare. It has been a continuous drive by the People Team to encourage employees to take up the medical aid benefit as an option, as opposed to the medical allowance, which is limited in its benefit to employees. We are exceptionally proud of the increase in the percentage of employees enrolled in the medical aid to 50.5% (2019: 48.7%), as well as the reduction in employees with no medical aid to only 1.9% (2019: 11.6%).

It was immensely important to maintain medical aid and medical allowance benefits in response to the pandemic. We encouraged employees on medical allowance to switch to medical aid but made no changes to these benefits so that employees kept their medical care, and access to Covid-19 diagnostic tests if necessary.

We aim to provide employee accommodation and working environments that are of the highest standard. We have put our own standards in place, which exceed occupational health and safety regulations and ensure quality of life.

Employee accommodation at Etosha King Nehale matched the standard set at The Desert Grace with improvements where possible. Unfortunately, employee accommodation construction at Palmwag Lodge was halted due to Covid-19, but will continue as funds become available.

In addition:

- All Gondwana employees have access to our People Team, which supports them in making appointments with appropriate general practitioners and other medical professionals. It also provides training on the benefits of medical aid options, and assistance in managing the cost of healthcare received.
- We partner with the Cancer Association of Namibia to provide employees with access to an annual check-up.
- The Evangelical Lutheran Church's Aids Programme provides annual HIV/Aids awareness training, testing and counselling.
- We partner with LifeLine/ChildLine Namibia to make counselling available to employees and their families if needed.
- All employees who handle food and beverages are given an annual food handlers' evaluation by independent general practitioners.
- Family planning assistance is provided by mobile clinics, managed by the Ministry of Health and Social Services, which visits our lodges regularly.
- We provide continued access for all employees to free WiFi at our properties.
- Many employees belong to Gondwana amateur fishing, soccer, running, cycling and volleyball teams.
- All Academy training programmes now have a module on self-care and wellness, highlighting the importance of healthy and balanced lifestyles, and to teach employees about the benefits of healthy eating and exercise.
- We responded to Covid-19's mental health impact with regular updates and assurances from Gys and the People Team through the MD broadcast group, team WhatsApp groups and company memos, among other things.

Championing our Covid-19 response



With the onset of the Covid-19 outbreak and ensuing lockdowns, Gondwana embarked on a search for protocols and service industry benchmarks for such a crisis. Silke Ahrens was tasked with becoming our Covid Champion, ensuring we followed world standard protocols and put in place processes and procedures that not only stood the test of international standards, but became the gold standard of Namibian hospitality.

Further to ensuring compliance with all regulations, Silke has become our go-to person for all things Covid-19 related.

In the event of possible exposure to Covid-19 of employees, the People Team has:

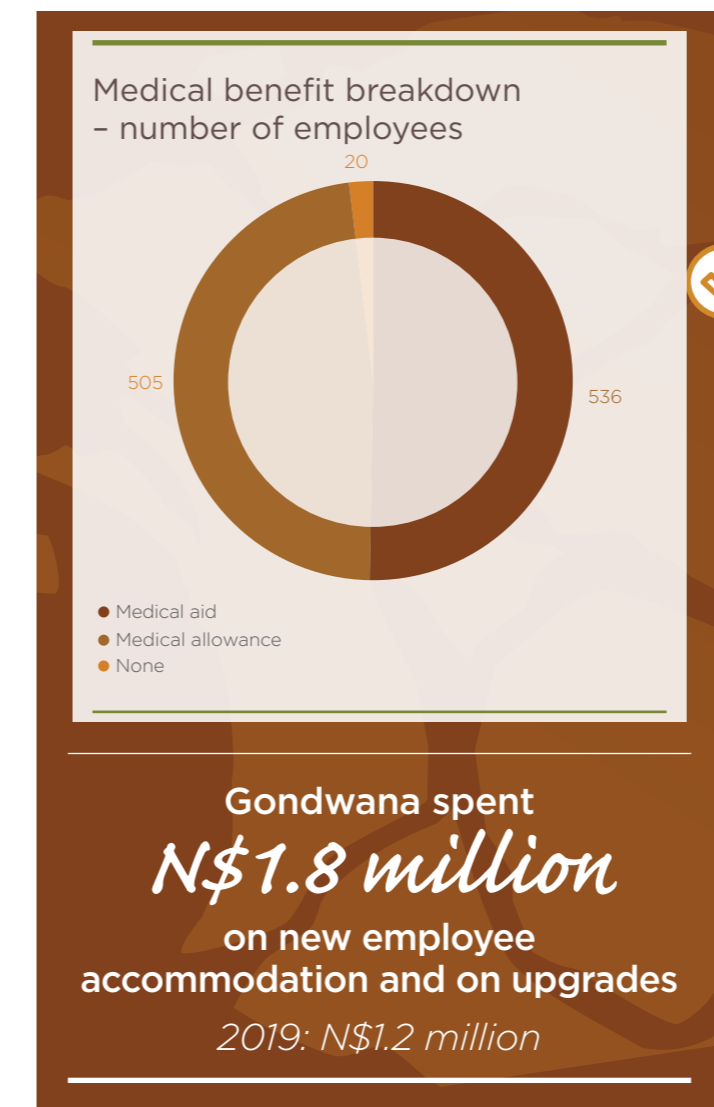
- Ensured that medical support is made available to all employees, whether in Windhoek or at our lodges
- Arranged for access to Covid-19 testing through trusted partners
- Contracted external partners to ensure workspaces are disinfected
- Organised 24-hour access to medical support for teams and guests at our lodges

50.51% of our employees enjoy the benefit of medical aid and 47.59% receive a monthly medical allowance.

The 1.9% of employees not covered are either on probation or on a fixed-term contract, and will qualify for medical benefits once employment is made permanent.

High-standard employee accommodation was built at Etosha King Nehale.

Our employees' accommodation and working areas set the highest standards.



Our eyes are on the future

To continue supporting and fostering our people, future focus areas include the following:

- The Learning and Development Team will continue skills assessments and evaluation
- Tracking and managing talent
- Expanding the Academy's training by moving the courses to the lodges to include a wider audience, as opposed to the smaller venue at the Kalahari Farmhouse
- Developing and implementing a Quality Assurance and Support Team
- Expanding the Learning and Development Team to build capacity and offer more diverse skills training
- Training the Occupational Safety and Health committee extensively
- Reviving service delivery skills, focusing on customers' experience
- Continued investment in our teams in terms of leadership development

Every Gondwanian carries our culture and values, and it falls to each of us to do so with honour.

GO1000 Development programme for senior managers

The GO1000 Development programme aims to create and develop better human beings. The 2020 group was much smaller than in 2019, and a lot of thought went into the selection process. We considered it critical that:

- Skills development and knowledge transfer from the 2019 programme continued
- We really invested in the next line of leaders in the business

The 16 participants, of whom 13 were women, were evenly split between Windhoek-based and lodge-based employees. They completed five modules, each comprising day-and-a-half face-to-face sessions, and each participant had a dedicated coach to meet with between modules.

“We are proud of what this group of Gondwana leaders achieved on the Go1000 Growing Leaders programme which was completed in November 2020. The programme was run over the time of the Covid-19 pandemic and associated lockdowns, and despite disruptions, delays, moving to online formats and all the associated uncertainty, within the business and the world at large, the delegates really dived into the learning and grew through the process. The final module check out was a special and moving time of recognition of the journey that has been travelled and growth witnessed.”

- Rob Broster, senior associate, Lockstep Consulting

An additional six candidates, beyond the 16 listed above, received professional coaching to aid their development.

ETOSHA KING NEHALE – AN EXERCISE IN OPTIMISM



Etosha King Nehale is a world-class lodge that sits at the perfect junction of catering to the Ovambo masses in the north and reflecting their culture. As the Ovambo make up 50% of Namibia's population, the lodge enjoys the support of government and domestic travellers.

Amid Covid-19 and lockdown, we had a difficult choice to make – whether or not to commission and open a lodge that wouldn't be able to operate. We chose to open the lodge to honour our commitments to our partners, businesses and new employees, and to send a message about our optimism and preparedness for the future when everyone was in a panic. The lodge was a remarkable undertaking, as it focused on full cultural immersion, rather than simply being a destination to visit. Its planning and opening involved the Operations, Food and Beverage, Interior Design, People and Innkeeper teams.

Excitement in and around the office kept growing daily, and as of December 2019, about 1 200 CVs from royalty and regular folk made their way to Gondwana's talent recruitment office, and the phone lines were abuzz. Every second phone call was an enquiry about the lodge and how to apply. We'd recited the recruitment address cv@gcnam.com so many times in one day that 'g for goat' became a song.

Very few of the applicants had prior tourism experience, something we knew would be a significant challenge for the Learning and Development Team, but we were devoted to honouring our joint venture agreement. So the team began preparing new employees to open the lodge according to our quality standards and on time. Fortunately, we have a relationship with an organisation that builds skills in underprivileged and vulnerable young mothers to enable them to enter the labour market. We also give their beneficiaries internship trials.



Covid-19 lockdowns meant that we needed to do our recruitment from home, which was even more unconventional because not all applicants had email access, and some shared cellphones with neighbours and were locked down kilometres away. For the first time, we shared and signed contracts through WhatsApp.

Our new colleagues kept their enthusiasm, even when the long-awaited opening date came and went uneventfully. Thankfully, this meant we had more time to arrange for traditional ondelela dresses, masks, pocket squares and head scarves. We were eager to present our colleagues and the lodge in an excellent state.

We're proud to have upheld a fair and unbiased recruitment strategy, which successfully and efficiently grew the Gondwana team by 52 incredible members. We are even more proud to have taken every opportunity in the process to share the Gondwana Way, and live the Gondwana values: honouring people, diversity, integrity.



As the boxes of CVs began to mature into shortlists, the more we got to know our potential future team mates: the ones who were royalty, the ones who were ordinary folk like us, the one or two with a tonne of attitude, but just as much potential, the funny ones, the shy ones, the chance takers, the ones who were worried about lions, the ones who weren't.

Training and induction

Since Etosha King Nehale is a rich cultural lodge, employees needed training in how to present it as such, in addition to their standard lodge operations and guideline training, and entrenching the new employees in the Gondwana Way.

Maria Mvula and Francis Newman spent six weeks training the lodge's team in an Academy-style programme with

a strong focus on learning and experiential training. This included storytelling, self-awareness, Gondwana history, branding, DNA, service philosophy, team building, musical performance and guest entertainment.

A kitchen learning programme was collaboratively developed by the Operations and Food and Beverage teams and the lodge designers – to provide training on the lodge's uniquely

developed menu that brings the cultures and flavours of this region to life. The programme, held at Witvlei, was suspended during lockdown and resumed once regulations allowed.

Guides received training on their general duties and Covid-19 hygiene, and employee team members were trained on first aid, hygiene and Covid-19 regulations.

COMMUNITIES

Communities are Namibia's heartbeat; it is our responsibility to protect their future.

Why our communities are important

Even before 2020 brought about a global pandemic, Namibia struggled with drought, recession and political troubles. In this year, Namibia's GDP decreased by an estimated 8% compared to the same period in 2019. Until 2019, the tourism industry had steadily grown by 5% on average year-on-year since the country gained its independence in 1990. Tourism generated thousands of jobs and in 2019 contributed more than 10% of Namibia's GDP.

Gondwana Collection lodges are closely entwined with one another and their surrounding communities. As a good corporate citizen, we support our communities through our lodges that reside on communal land, and cooperate with local communities. We invest our efforts where they can make the biggest impact. By uplifting communities, we can provide customers a safe and meaningful experience that showcases the beauty and culture of the people they see on their holidays. We empower a diverse group of people and promote Namibia as a sustainable destination.

Our touchpoints with Namibian communities are:

- We are a significant **employer** of Namibians from the communities surrounding our lodges. Refer to page 39.
- We provide **training** to community members, including non-employees. Refer to page 45.
- We actively source **supplies** from local communities.
- Our 53 779 Namibian Gondwana Card holders form a regional community of **customers** who use our services.
- We partner with communities in **conservancies** in the Okavango, Zambezi, Kaokoland and Etosha experience areas, where they own the land and lodges we operate, and they get a direct (profit share) and indirect (employment, etc.) benefit from the arrangement.
- Through the **Gondwana Care Trust (the Trust)**, we drive social responsibility and community support via different projects across Namibia.
- This year, we appointed a dedicated **Community Liaison Officer** to represent Gondwana in the Zambezi and Kavango regions. He spends his days engaging with conservancy, traditional authority and community partners.

Covid-19 impact on our communities

Unfortunately, Namibia's lockdown brought tourism to a standstill, which began impacting citizens' livelihoods as early as April. The communities around our lodges were most severely impacted. Furthermore, informal communities dealt with the added pressure of social distancing while living in larger multi-generational homes.

Without customers, we needed to implement major cost saving measures, which impacted our supply chain. Inter-related sectors were also affected, including event planning, hospitality and alcohol sales. Smaller entrepreneurs lost their businesses. Meanwhile, sourcing essential items such as cleaning and hygiene products became expensive as borders closed.

Our conservancy community partners are reliant on both the eco-tourism and hunting industries, both of which were severely impacted. Conservancies were left a small fraction of their income, through minimum guaranteed fees which operators such as us are contracted to pay.

Similarly, our Trust beneficiaries lost income and sponsorships that they had prior to Covid-19, and in some cases the Trust became their only or main sponsor and support. The Trust acquired a permit to operate as an essential service to distribute food and hygiene products during the lockdown period.

We needed to postpone plans to sign new benefit distribution plans with the Salambala, Mashi and Palmwag communities, and could employ only one of the two Community Liaison Officers we had planned to. We increased our efforts in the MealForTwo programme to provide meals to those who needed it most.

Finally, our engagements with our communities were frustrated by lockdown restrictions, but when travel and gathering restrictions were eased, we met with all conservancy and Trust community partners to re-establish relations and discuss matters of concern.



What we do for our communities

We invest in our communities to set them on a pathway to a better life, as individuals and as collectives.

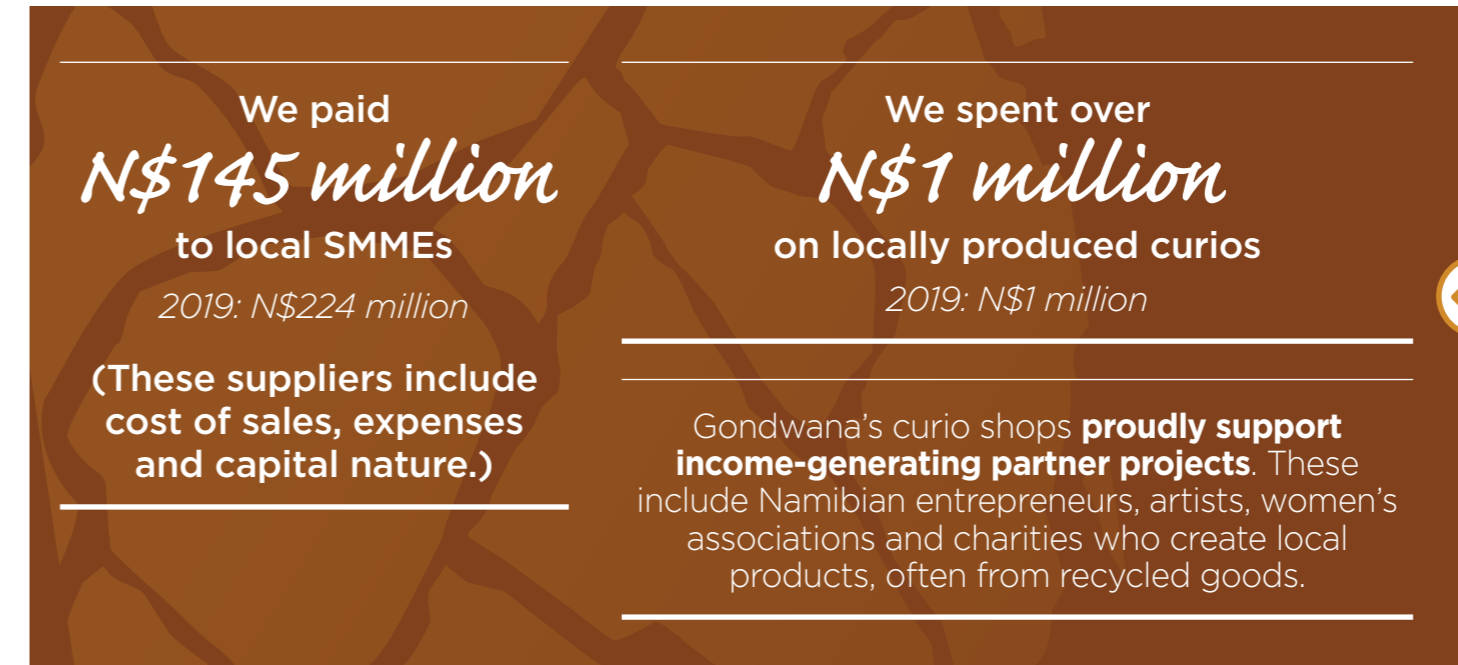
1. **SUPPLIERS**
2. **GONDWANA CARD HOLDERS**
3. **PROMOTING BRAND NAMIBIA**
4. **CONSERVANCIES**
5. **GONDWANA CARE TRUST**

1. Suppliers

The strength of Gondwana's brand draws suppliers to work with us. We are recognised as a reliable debtor and as responsible corporate citizen who invests in local businesses, partnerships and communities.

Our suppliers include operational suppliers like catering equipment or cleaning companies, tour operators, construction companies and marketing partners.

We support local small, medium and microenterprises (SMMEs) in our lodges' vicinity, allowing us to diversify and become part of local communities.



Supporting local suppliers and communities – The Narrative Namibia ecommerce store

During the year, we established our online store, The Narrative Namibia, after numerous requests, especially from international travellers who want a lasting connection to Namibia. We sell products made by Namibian artisans who are inspired by our country's flora, fauna and people.

The Narrative Namibia is still in its infancy, selling products from Gweri Vintage Collection, Tameka Design Jewellery and FIMBI Leather Art. Other brands and suppliers will follow soon.

We proudly support income-generating partner projects, including Namibian entrepreneurs, artists, women's associations and charities that create local products, often from recycled goods. Gondwana buys the products from the locals, thereby offering them access to a broader market and enabling them to earn a decent living for themselves and their families.

Gweri Vintage Collection

28-year-old Pinehas 'Zuluboy' Shikulo is one of his generation's most contemporary, artistic and vibrant entrepreneurs. While still studying, he formed a start-up business that produces Namibian-designed Gweri Socks. These hip and funky socks bring a spring to wearers' steps. He began making his mark in Namibian business in 2018.

He derives most of his style from a vintage corner, but his ideas are hip, modern and innovative. His work in Katutura, a township in Windhoek, is steadily helping the youth see the real and rough beauty in the neighbourhood alongside its rough and contemporary edges.

Various posts on social media with photographs from the neighbourhood sparked interest from all generations. Soon enough, big companies such as MTC, NICTUS and Gondwana wanted to collaborate with Zuluboy.

Gweri Socks celebrate Namibian diversity and heritage with designs unique to the Ovahimba, Aawambo and San. Regular new sock designs have seen the business grow steadily, and Zuluboy has used this success to give back to his community. His products have helped raise money for the Shack Dweller Association of Namibia, to give dignity to impoverished Namibians.

He is expanding his business by expanding his product range and collaborating with South African brand Simon & Mary to produce felt hats, and with Erongo Winery to produce a limited edition of GWINE.



2. Gondwana Card holders

Gondwana introduced the **Gondwana Card in 2007** to make local travel affordable for SADC residents. The card provides regional travellers excellent discounts for all our services. This builds Namibia's brand as a tourist destination and creates shared experiences and word-of-mouth advertising.

The Gondwana Card's conditions change over time so that it stays sustainable and true to its original intent of providing Namibian and regional travellers with an affordable alternative to mainstream international establishments.

The proof of our success

As an extended benefit to local travellers, an additional 15% discount on dinner applied from 1 November 2020 until 31 January 2021.

Gondwana recently started to offer convenient and easy opportunities for business travel of all sorts within Namibia. With the Gondwana Card, discounts apply by registering your company, and your employees qualify for a 20% discount on accommodation bookings and a 15% discount on a Namibia2Go rental cars.



Gondwana Card holders were afforded **N\$13 million** in discounts during the 2020 financial year
2019: N\$17 million

The Gondwana Card for **Namibian citizens** including permanent/temporary residence permit holders:

- o 50% discount on accommodation (bed and breakfast) and 25% on activities
- o 40% discount (25% plus additional 15%) on dinner, from 1 November 2020 until 31 January 2021 (excluding Klein-Aus Vista)
- o 50% discount on camping (excluding Klein-Aus Vista Campsite)
- o 50% discount on Camping2Go

The Gondwana Card for **SADC citizens** including permanent/temporary residence permit holders:

- o 40% discount on accommodation (bed and breakfast) and 25% on activities
- o 40% discount (25% plus additional 15%) discount on dinner, from 1 November 2020 until 31 January 2021 (excluding Klein-Aus Vista)
- o 40% discount on camping (excluding Klein-Aus Vista Campsite)
- o 40% discount on Camping2Go

3. Promoting Brand Namibia

Our storytelling approach to content marketing promotes Brand Namibia. This boosts tourism which, in turn, uplifts Namibian communities.

#SOSTourism

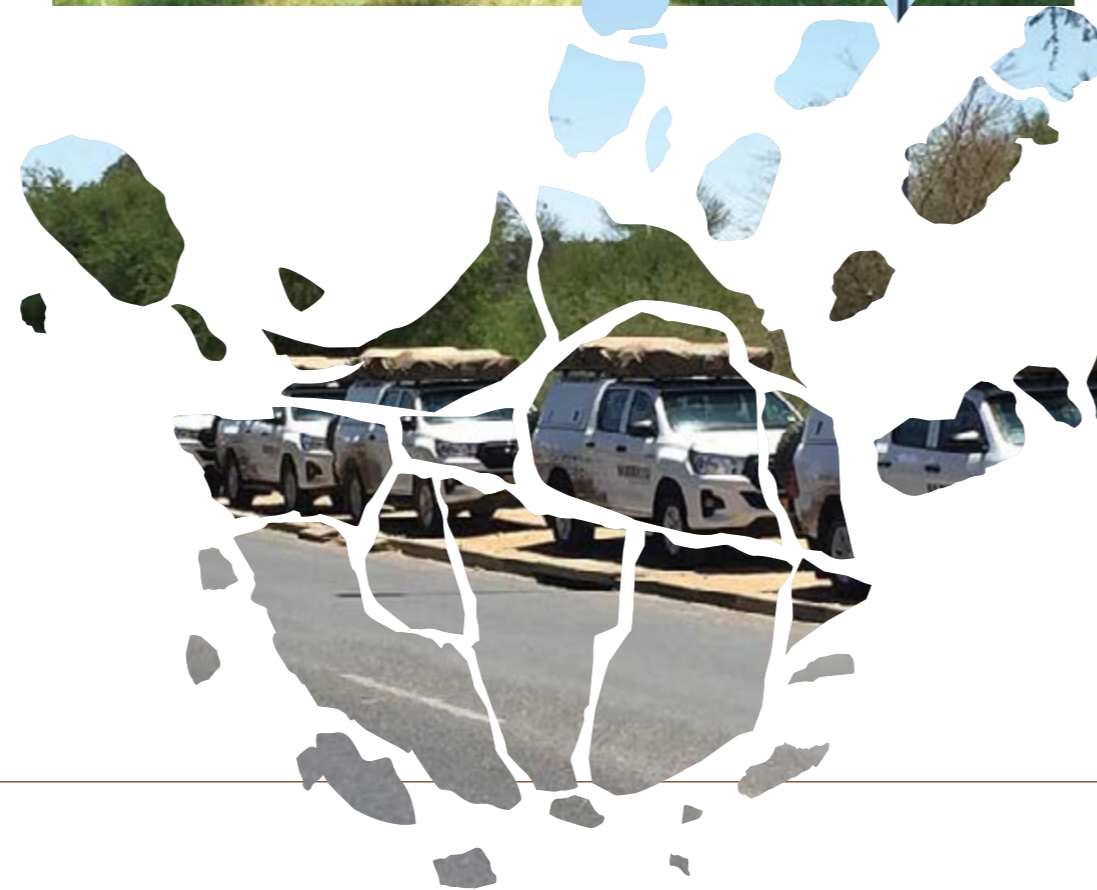
"Tourism is a lifeline to millions, especially in the developing world." – United Nations World Tourism Organization (UNWTO) secretary-general, Zurab Pololikashvili

In recent years, tourism has been the fastest growing industry in Namibia, contributing more than 10% to the country's GDP and employing about 15% of its workforce.

But now Namibia's tourism industry is in crisis, which puts more than 120 000 citizens' jobs and their families' livelihoods at risk, alongside thousands of companies and SMMEs and including tour guides, craftsmen, artists, and entire community and conservation initiatives.

With #SOSTourism, Gondwana aims to raise awareness and start a national conversation on how to apply more practical and responsible regulations to recover the tourism industry without additional health risks.

With regard to the relaxation of travel requirements, we would like to express our appreciation to the relevant government authorities who heard the cries of our industry and took immediate action. This is a significant step towards reviving Namibia's tourism industry and subsequently a large part of the economy of the country.



4. **Conservancies**

Namibia has 86 registered communal conservancies, covering 19.6% of its land area. The Ministry of Environment and Tourism recognises them as official, and they are self-governing democracies run by their members.

Many conservancies have excellent potential as tourist destinations, but potential joint venture, profit share agreements are scarce as corporates are wary of community-based land ownership. Nevertheless, Gondwana makes substantial long-term investments (up to 25-year agreements) into these conservancies. We are committed to them and their role in Namibia, and believe in building strong, culturally sensitive relationships with them.

On request, conservancy partners may invest in Gondwana shares with cash benefits from joint venture partnership. We feel this is positive evidence of our brand's strength. We dream of a future where Gondwana is partially owned by its employees and communities.

These communities support conservation, as tourism offers them tangible benefits. But there are concerns that these benefits are not reaching them in the right manner or timeframe due to bureaucratic inefficiency. During 2020, we continued to pay minimum conservancy fees despite lower income, and even no income at times. We have proposed a distribution structure that would directly benefit organised community structures to ease the burden on conservancies, and are encouraging a fair benefit distribution plan with relevant parties.

We invest substantially in conservancies, despite the difficult year, as we believe that it is a way to change the future.

We spent over **N\$39 000** on training non-Gondwana employees.

15 community members from our nine conservancy and community partners were enrolled in an NTA guide training course. **Gondwana facilitates the training and internships in partnership with the NTA.**

We donated **hygiene products and over 1 150 face masks** to schools, old age homes and other community projects.

We appointed a **dedicated Community Liaison Officer** who oversees our conservancy and community relations in the Zambezi and Kavango regions.

We proposed a new distribution structure to **deliver funds to communities directly** to ease the burden on conservancies. We are negotiating a benefit plan with relevant parties.

We helped provide access to **Cancer Association outreaches** at six lodges and in seven neighbouring communities and conservancies.

In addition to the 4km pipeline installed in the Sikondo Village close to Hakusembe, we installed another 2km **to provide drinking water** to community members who live far away from the water supply pipeline (NamWater).

The project was funded through the Hakusembe Community Development Fund, and completed with the assistance of local community members.

In 2020 we took the **King Nehale Conservancy committee** on a tour through Etosha National Park to Etosha Safari Camp and Damara Mopane Lodge to show them how other Gondwana lodges operate and for them to meet other employees.

15 rocket stoves donated to Epupa Conservancy.

At Etosha King Nehale we are leading the way in responsible, **community-empowering and cultural tourism**. We opened the lodge in the middle of the crisis in the King Nehale Conservancy in June.

We paid **N\$566 000** in **joint-venture contributions to the King Nehale Conservancy, the Community Development Fund and the Ondonga Traditional Authority.**

Our lodges in conservancies



Chobe River Camp in the Salambala Conservancy



Etosha King Nehale in the King Nehale Conservancy



Namushasha River Lodge and River Villa in the Mashi Conservancy



Omarunga Epupa-Falls Camp in the Epupa Conservancy



Zambezi Mubala Lodge and Camp in the Sikunga Conservancy



Palmwag Lodge work with the Torra, Anabeb and Sesfontein Conservancies



Hakusembe River Lodge in the Mbunza Traditional Area

5.

Gondwana Care Trust

We make an impact through the projects we support.



Meet the Trustees: Chris Gouws – Trustee, Fabiola Schrywer – By Invitation, Dgini Visser – Trustee, Iroleen Hurter – Trustee, Gys Joubert – Trustee, Quintin Hartung – Trustee, Sonia Noirfalise-Corsini – Trustee

ORIGINS

A group of employees founded the Trust as a project-based philanthropic passion project. Initially, it was funded from outside of Gondwana, mostly by employees.

The Trust was formalised when the company was restructured in 2017, and a trust deed was outlined to focus our efforts away from charity and towards impact.

MANAGEMENT

A Board of Trustees (the Trustees) manages the Trust, which is audited annually. Other than banking fees, all funds go to sustainable projects. The Trustees formalised and approved the application process for beneficiaries and projects. Gondwana's representatives assist the Trust by inspecting nearby recipient properties and providing regular feedback to the Trustees.

IMPACT

We assist recipients to become sustainable, self-managing and to develop a sense of ownership within their own projects.

The Trust and Gondwana also support and create market opportunities through our curio shops. Through public awareness, we provide a channel for other like-minded people and businesses to get involved. This enables the recipients to contact certain sponsors to assist and engage in training and developing sustainable skills.



The Trust does not involve itself in managing projects over the long term, but is committed to assisting beneficiaries who need subsistence assistance through the MealForTwo programme. Gondwana provides monthly financial and resources support.

With the Trust formalised and its governance practices established, we focused on integrating it with Gondwana business functions. This will allow us to expand our online presence and reach, increase efficiency and improve project coordination with Gondwana's operations and logistics functions. During 2020:

- We appointed the Environmental and Social Impact Manager as an additional Trustee to assist in the Trust's operations
- We added an online payment button on our website for direct donation from all over the world to support our projects
- The Trust became represented on The Narrative Namibia

As a company, we value our impact on communities across the country. Despite low occupancy figures, we are committed to our contractual agreements for as long as we can afford to be.

PROJECT SHOWCASE: NAMIB SKY COMMUNITY TRUST – LITTLE BUGS SOSSUSVLEI



The Little Bugs school opened in 2011 with three pupils and a dose of pioneer spirit. It is named for the creepy crawlies in the Sossusvlei dunes and educates children up to grade 4.

The 100% donor-funded school provides children with a cultural area that stimulates their curiosity. It hosts practical lessons such as cooking, gardening and environmental education, social behaviour and hygiene. It also provides medical and psychological care, parenting support and a nutritional programme.

The school is part of the United Nations International Children's Emergency Fund (UNICEF's) regional early childhood development programme and is a beneficiary of the annual Gondwana Care Trust School Christmas Bag project. We support their sewing division by purchasing their products to sell at our retail shops and on The Narrative Namibia. Items sold range from Shweshwe lion, elephant and giraffe toys to stylish yoga bags and practical home wear.

The school has taken its first steps to making a vegetable garden, which has helped parents to grow their own vegetables and become less dependent on the nearest town, which is 180km away. The programme significantly impacts the Sossusvlei as a whole, and it now includes a chicken farm and aquaponics.

The school hosts over 30 learners, a teacher and a principal. It includes a vegetable garden, chicken farm and aquaponics.

PROJECT SHOWCASE: MEALFORTWO

Bringing hope to the hungry

The Trust started the MealForTwo programme in 2017 to feed the most vulnerable Namibians. At first, Gondwana sponsored meat from its butchery to soup kitchens and childcare centres from our SSC in Stampriet (page 66). With support from various partners we are able to diversify our meal offerings and provide more balanced meals by adding vegetables and other dry goods.

In 2020, the Trust directed nearly all of its efforts towards MealForTwo, alongside its partners. We distributed more food than ever before at a lower cost to the Trust due to generous donations received from our supply partners – approximately 2 800 beneficiaries received 146 000 meals, equalling 4 470 daily meals, to the value of N\$640 000 (2019: 24 000 meals to the value of N\$690 000).

The main purpose of the MealForTwo programme is to have a lasting impact on the vulnerable communities in Namibia.



The **MealForTwo** programme provided approximately

146 000 meals

to the value of

N\$640 000

to those in need

2019: 24 000 meals to the value of N\$690 000

The School Christmas Bag project

The yearly School Christmas Bag project provides children with personalised, reusable bags filled with basic stationery kits, hygiene products, treats, toys and sustainable food products. Beneficiaries come from schools, orphanages and vulnerable child centres.

The Trust partners with local Namibian suppliers and likeminded organisations who support the project by either sponsoring products or by cash donations. We further receive outside donations from guests who purchase bags from our curio shops or online store, The Narrative Namibia.

The project is focused to bring joy to children but mostly as encouragement to start each school year with basic school supplies.

The **School Christmas Bag** project provided

2 457 bags

to needy children

2019: 2 333 bags

Sikunga Fish Protection project

The Sikunga Fish Guards control and protect the fish stocks in an 8km stretch of the Zambezi River, allowing them to breed undisturbed. The Trust's goal is to ensure the project is sustainable and has a lasting impact on the communities of Zambezi. The Trust was able to continue supporting the project financially during 2020 due to the financial support from First National Bank of Namibia, the FirstRand Namibia Foundation Trust and Gondwana Collection Namibia.

Trust projects supported by Gondwana lodges across Namibia



Gondwana head office: Windhoek, Okahandja and Rehoboth

- o Heal the Land
- o Light of Hope
- o Khaibasen Community Centre
- o Nau Aib Old Age Home
- o Dagbreek School
- o Ann Pads
- o Physically Active Youth (PAY Namibia) Centre
- o Bridge of Hope
- o Khomas Homeless Development Trust
- o The Grace Project
- o Men on the Side of the Road
- o Lidar Community Foundation
- o Senior Park Home for the Elderly
- o Cancer Association of Namibia
- o Hope Village
- o MEGS Care Centre for the Elderly
- o The Mammadu Trust
- o Youth Orchestras of Namibia (YONA)
- o Huis Maerua
- o Natascha Pre-Primary School
- o Side by Side Early Intervention Centre
- o Youth Hope-Kindergarten library project
- o Windhoek Street Vendors (fruit and vegetables)

Zambezi Mubala Lodge: Katima

- o Kalundu Pre-school
- o Isize School Hostel
- o Moraliswani Pre-school
- o Sikunga Fish Guards for the protection of fish stocks in the Sikunga Conservancy
- o Kanono Combined School



Hakusembe River Lodge: Rundu

- o Paukeni Kindergarten



Etosha Safari Lodge: Etosha

- o Dawid Khaumaxab Primary School – Seringkop



Damara Mopane Lodge: Khorixas

- o Welwitschia Primary School



The Delight: Swakopmund, Walvis Bay and Henties Bay

- o Mwadimonio Pre-school and Day Care Centre
- o Stepping Stone School
- o JJs Care Centre for children with special needs
- o Children with Handicaps Action in Namibia (CHAIN) Centre
- o Spitzkoppe community
- o Twaloloka community
- o Hands of Hope – Namibia
- o DRC Women’s Project



Canyon Lodge, Village and Roadhouse: Keetmanshoop

- o Geduld Primary School
- o Immanuel Hostel Grünau
- o The Klein Karas Community
- o El Shaddai Caring and Feeding – Dorcas soup kitchen
- o Grünau Primary School
- o Don Basco Primary School



Kalahari Anib Lodge and Kalahari Farmhouse: Mariental and Stampriet

- o Soetdoringlaagte Crèche
- o Mariental Primary School – Mariental Hostel
- o Witkrans Primary School



Etosha King Nehale

- o Make a Difference Charity (MAD) – Tsumeb



Opuwo and Omusati

- o Ohajuuna Primary School
- o Proud Himba Foundation
- o Eco Homestead Nursery



Dordabis School

- o School Bag Christmas project



Namib Desert Lodge: Maltahöhe

- o Maltahöhe Soup Kitchen
- o Little Bugs Sossusvlei

**PROJECT SHOWCASE:
LIDAR PROJECT – A
CHANCE FOR YOUNG
WOMEN TO DREAM
AGAIN**

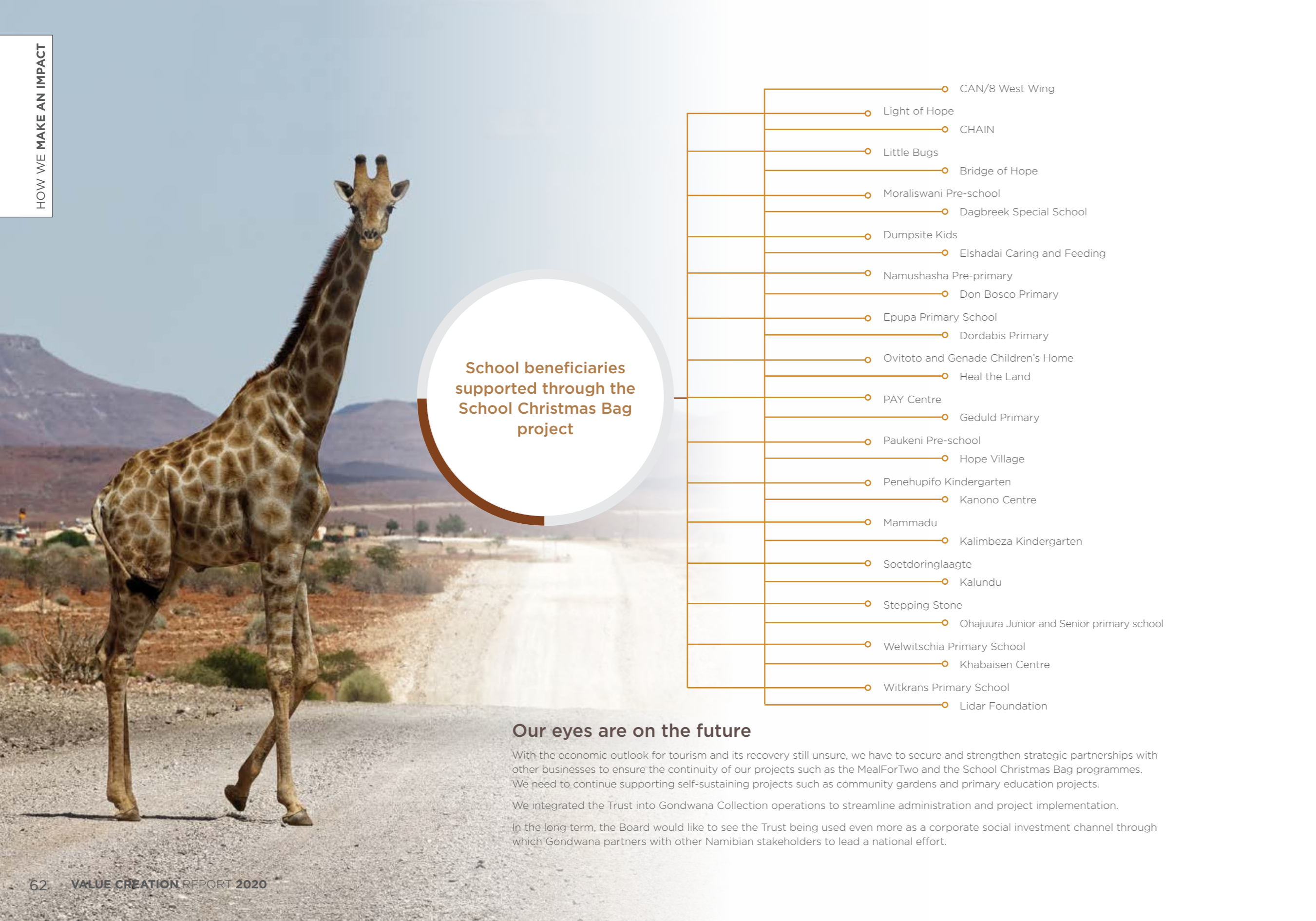
*“You educate a man; you educate a man. **You educate a woman; you educate a generation.**” – Brigham Young*

The Lidar Community Foundation hosted the Dreams Programme to provide skills to 25 unemployed and unskilled under-24s in the Zambezi region. Trainees spent three weeks at the Ministry of Youth and Sport Multi-purpose Youth Resources Centre in Katima Mulilo.

They learned theoretical and practical skills to equip them for tourism and hospitality, including how to start and manage small businesses, integrate women back into education programmes to complete their studies and prepare for tertiary education, and enhancing their parenting skills.

The Lidar Community Foundation assists its participants to become employed by, among other things, approaching and integrating businesses in the Zambezi region to hire them. It is in partnership with Project Hope Namibia and enjoys the support of the Trust as an employment partner.





School beneficiaries supported through the School Christmas Bag project

- CAN/8 West Wing
- Light of Hope
- CHAIN
- Little Bugs
- Bridge of Hope
- Moraliswani Pre-school
- Dagbreek Special School
- Dumpsite Kids
- Elshadai Caring and Feeding
- Namushasha Pre-primary
- Don Bosco Primary
- Epupa Primary School
- Dordabis Primary
- Ovitoto and Genade Children's Home
- Heal the Land
- PAY Centre
- Geduld Primary
- Paukeni Pre-school
- Hope Village
- Penehupifo Kindergarten
- Kanono Centre
- Mammadu
- Kalimbeza Kindergarten
- Soetdoringlaagte
- Kalundu
- Stepping Stone
- Ohajuura Junior and Senior primary school
- Welwitschia Primary School
- Khabaisan Centre
- Witkrans Primary School
- Lidar Foundation

Our eyes are on the future

With the economic outlook for tourism and its recovery still unsure, we have to secure and strengthen strategic partnerships with other businesses to ensure the continuity of our projects such as the MealForTwo and the School Christmas Bag programmes. We need to continue supporting self-sustaining projects such as community gardens and primary education projects.

We integrated the Trust into Gondwana Collection operations to streamline administration and project implementation.

In the long term, the Board would like to see the Trust being used even more as a corporate social investment channel through which Gondwana partners with other Namibian stakeholders to lead a national effort.

PLANET

Our responsibility to the planet comes before our focus on profits. We believe the wilderness and its inhabitants deserve respect and protection.

Why our environment is important

Namibia's unique natural environment is integral to the experience our guests enjoy, and we need to protect it. As the country's population increases, we place more pressure on the environment, especially in terms of water, which has been extremely scarce due to droughts in recent years. We have also seen lower water quality, soil erosion and desertification.

Many travellers are increasingly environmentally conscious, to the point where some factor in their flights' carbon emissions when deciding where to travel. As a key player in the Namibian tourism industry, it is up to us to minimise our environmental impact to give our guests comfort about their decision to visit Namibia.

Covid-19 impact on our environment

The full impact of Covid-19 lockdowns and travel restrictions on the environment is not yet quantifiable, but there have been both positive and negative effects.

We can reasonably assume the reduced noise and dust (air) pollution benefited local wildlife. Unfortunately, poaching incidents were on the rise, due to the following factors:

- Eco-tourism curbs poaching by putting eyes on the ground, which was impossible this year
- Tourism and trophy hunting are large financiers of conservation efforts; in their absence, there were fewer resources to combat poaching and conservancies needed to rely on donor funding from non-governmental organisation (NGOs) and governmental organisations
- The economic downturn put citizens in financial distress, which made some of them turn to crime, including poaching

At our lodges, lower occupancies, alongside new measures, reduced our water and energy usage and increased our overall consumption per guest. However, as lodges were closed, we could not consistently monitor their water consumption, which interrupted the data we would normally compare to previous sets, and our efficiency measures such as water consumption per person were not comparable to previous years due to lack of guests and smaller and rotating employee complements.

What we do for our environment

*We have always seen **tourism as a way to finance conservation.** Our operations are intrinsically geared for sustainability.*

- | | |
|---|---|
| <p>1. EFFICIENT ENERGY USAGE AND INNOVATIVE ENERGY SOLUTIONS</p> | <p>5. ENVIRONMENTAL EDUCATION</p> |
| <p>2. SPARING USE OF PRECIOUS WATER</p> | <p>6. SELF-SUSTAINING SUPPLY OF FOOD</p> |
| <p>3. RESPONSIBLE WASTE MANAGEMENT</p> | <p>7. A COMMITMENT TO NATURE CONSERVATION</p> |
| <p>4. SUSTAINABLE CONSTRUCTION METHODS</p> | <p>8. ECO-FRIENDLY LODGES AND LODGE ACTIVITIES</p> |

The reason Gondwana was founded was to reinvigorate the fauna and flora in the Fish River Canyon – an area that was desolated by decades of unsustainable grazing and recurring droughts. In over 24 years in operation, we have not lost sight of this dedication – we serve Namibia.

We take direction from strict environmental policies ensuring each lodge has an environmental plan that is diligently implemented.

1.

Efficient energy usage and innovative energy solutions

We consider renewable energy our go-to source whenever we have a choice. Fortunately, Namibia is perfect for solar energy generation. 95% of our lodges are equipped with solar energy plants (2019: 80%). The excess energy from these plants is fed into the main supply system operated by Namibia's national power utility, NamPower.

Our target for the efficient use of energy is to reduce average daily consumption to 4kWh per person per day by 2022. When the lodges were closed in March due to the lockdown, we set out to cut down on all unnecessary energy usage. Despite limited occupancy on the properties, key appliances still needed to run, unfavourably skewing our energy efficiency measures.

Energy usage
20kWh
per person per day
2019: 12kWh

Energy

	2018	2019	2020
Total energy usage (kWh)	4 131 981	2 977 700	2 491 604
Efficiency (energy usage per person per day)	16	11*	20

* Restated.

After converting all but one lodge to solar in 2020, roughly **46%** of energy used at our lodges came from solar by the end of the year.
2019: 36%



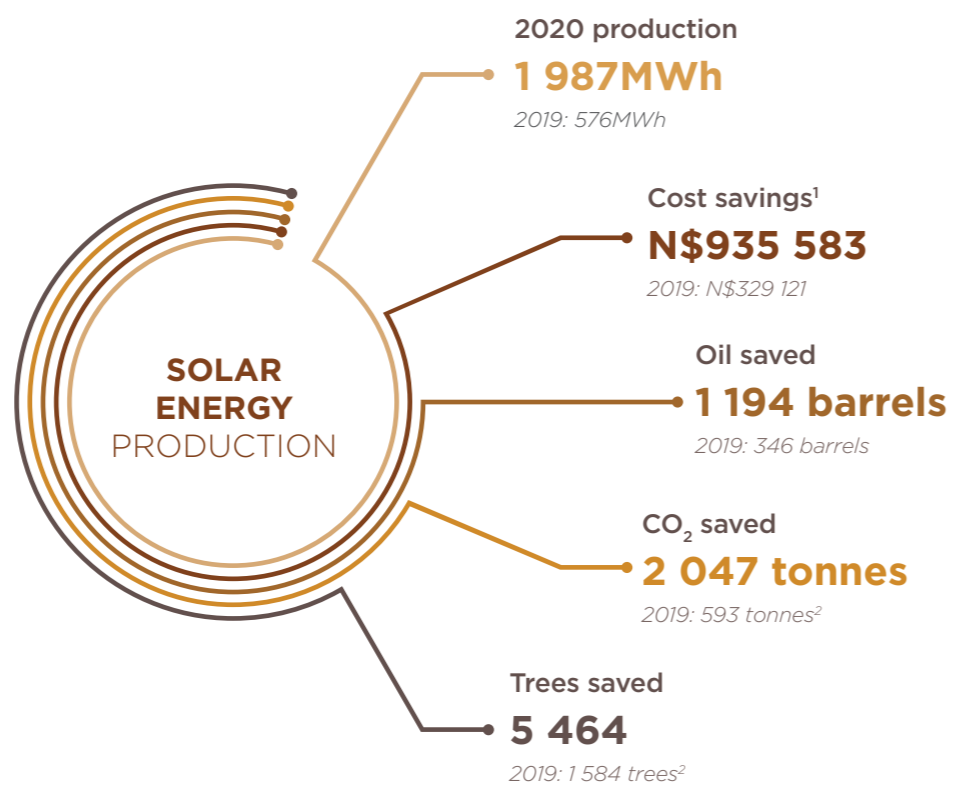
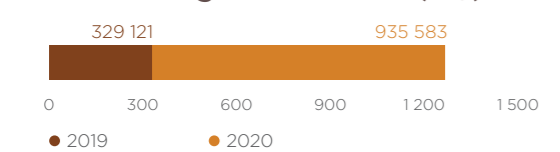
Solar power drives environmental sustainability and cost savings

Three years ago, Namib Desert Lodge was Gondwana's only lodge with solar power. In 2018 we entered into a partnership with SolarSaver, a Southern African solar power installation group, to install solar plants across the remainder of our lodges. The operating principle is that the solar energy we buy from SolarSaver needs to be at a better rate than that of NamPower, our electricity utility. Through this initiative we have reduced our environmental impact and energy cost.

Our aim was to have solar power plants installed at all of Gondwana's lodges by 2020, to have 50% of energy used at our lodges from solar by 2021, increasing to 80% by 2023. To date, the only lodge that does not have a solar plant is Zambezi Mubala Camp.

- o **18 lodges** have solar power plants: Three owned by Gondwana, and 15 run by SolarSaver
- o **Six** solar installations in 2020 (2019: 12)

Cost savings from solar¹ (N\$)



¹ Money we would have paid to NamPower for the same use of electricity for the 15 lodges run by SolarSaver.

² Restated.

2.

Sparing use of precious water

A central part of the magic of Namibia is the desert landscape. Operating in this environment means we have the responsibility to protect the little water we have to spare. We sensitise guests to this fact and request them to use water sparingly. 82% of our lodges are equipped with wastewater recycling plants. We use the wastewater to irrigate our lodges' gardens, which cuts overall consumption by more than half. In 2020 we installed water recycling plants at Palmwag Lodge, and at Etosha King Nehale. Our water usage was lower, as lodges closed or were put on skeleton staff, but this interrupted our efficiency monitoring.

We aim to have fully functioning water recycling plants installed at all lodges by 2021. Our water usage target for 2021 is 200 litres per person per day.

With the decrease in occupancies at the lodges, water consumption was somewhat reduced. However, water was still required for operational usage such as maintenance of gardens, water recycling plants and for on-site employees, negatively impacting our efficiency measures.

Water usage
901 litres
per person per day
2019: 309 litres per person per day

Water

	2018	2019	2020
Total consumption (m ³)	313 674	360 539	341 593
Efficiency (litres per person per day)	340	309	901

Water recycled: 75% of all water used by employees and guests.
2019: 65%



3.

Responsible waste management

We promote and monitor responsible consumption, waste management and recycling at all of our properties. In this way, we give back to nature what belongs to her. We aim to recycle, repurpose or biodegrade all of our waste, and send none of it to a landfill.

We use as few non-recyclable materials and single-use plastics as possible. We aim to use no plastic bottles or take-away (food) packaging by 2021. We reduce plastic bottles by installing filter-water dispensers at some lodges. Our souvenir shops also sell reusable bottles and Silistraws.

Each lodge has a waste management facility to sort and store waste for transportation to the nearest recycling depot. We partner with Rent-A-Drum to dispose of waste responsibly. It recycled 28 124kg of our lodges' waste in 2020. The bulk of this recycled waste is used to generate fuel.

In 2020, we partnered with Oiltech to recycle used engine oil from our lodges, and it recycled 1 100 litres.

Waste sent to landfill
35%
2019: 35%

Recycled
449 litres
of used cooking oil
2019: 1 510 litres

1 100 litres
of used engine oil

We partner with **BEE Biofuel Manufacturing Namibia** to recycle all used cooking oil from our lodges.

We aim to **reduce the amount of waste** we send to landfill to zero by 2021.

Reducing single-use plastic

- o **No mini foil or plastic butter portions**
- o **Paper straws at all lodges**
- o **Lunch packs use eco-friendly packaging and wax paper wrapping**
- o **Glass coffee jars and stainless steel plungers instead of coffee sachets**
- o **Guests are provided with stainless steel sugar canisters. Considering the potential to spread Covid-19, we issue one canister to each family or group travelling together.**



4. Sustainable construction methods

Our most recently constructed lodges, The Desert Grace and Etosha King Nehale, as well as our new Palmwag Camping2Go campsite, were built using environmentally friendly construction methods. All buildings at The Desert Grace and Etosha King Nehale were built with sandbags filled on site. This natural building material has excellent sound and thermal insulation.

We renovated the Palmwag Lodge and Campsite and Etosha Safari Lodge during the year. In these renovations, most of the old wood and steel was reused. At Palmwag, employees participated in brick-making training offered by Ohorongo Cement, utilising their self-made bricks in the renovations.

Gondwana uses glass-crushing machines to recycle the glass waste from our lodges.

The proof of our success
 100% of our lodges have Environmental Clearance Certificates from the Ministry of Environment and Tourism.

5. Environmental education

We believe that all Namibians should enjoy the benefits of – and share the responsibility for – a pristine environment. We invest in initiatives to help foster a sense of ownership in our employees and communities. For our employees, we design and present courses on environmental protection that form part of our training initiatives. With our communities, we run clean-up campaigns in the communities and conservancies surrounding our lodges. In 2020, Chobe River Camp, Zambezi Mubala Camp and Lodge, Namushasha River Lodge, Hakusembe River Lodge, and Etosha Safari Camp and Lodge all received environmental training, which focused on recycling, and saving water and electricity.

161 Gondwana employees attended courses on environmental protection.

16 members of the local conservancies also joined in on the training at Namushasha River Lodge and Chobe River Camp.

6. Self-sustaining supply of food

The Kalahari Farmhouse near Stampriet houses the Gondwana SSC, a farming operation from which all Gondwana's properties are supplied with fresh vegetables and organic cuts of meat.

The Stampriet area provides a ready supply of water from a multi-layered aquifer system. The centre includes chickens, pigs and hothouses, as well as an on-site butchery and smokehouse.

A local, community-based, sustainable agri-development company, ROOTS, bought approximately 4 000 hectares of land in the farmlands surrounding the Kalahari Farmhouse and SSC, where they planted a variety of vegetables and fruits on agricultural plots. ROOTS employs local community members to work the fields and allows them to buy land to grow fruit and vegetables to sell. Gondwana purchases these foodstuffs for our lodges and our MealForTwo programme through ROOTS's distribution partner, Kercon Food Enterprises. These companies have taken over the management of the vegetable gardens at the SSC. This strategic partnership allows Gondwana to focus on the butchery while still providing vegetables to our lodges at a fair price.

Gondwana's lodges are also encouraged to establish self-sufficiency gardens to cater for their basic fresh fruit and vegetable needs.

At Damara Mopane Lodge, each guest room has its own vegetable garden. **These supply 80% of the lodge's required produce.**

Most of our lodges have **netted tunnels** where herbs, tomatoes, lettuce and cabbage are grown.

Zambezi Mubala Lodge has an **aquaponics system** to supply guests with herbs and lettuce.

7. A commitment to nature conservation

As custodians of nature, we strive to protect the ecological biodiversity in the areas under our influence. Where we have lodges in communal areas, we support the re-establishment and conservation of diverse indigenous plant and animal species.

We operate lodges on the banks of Namibia's perennial rivers. These systems are sensitive and vital to communities and wildlife. We play our part in protecting these areas by supporting the establishment and administration of protection areas.

The Sikunga Fish Protection project protects fish stocks in the proclaimed Sikunga fish protection area in the Zambezi River. A team of permanently employed Fish Guards combat illegal fishing. They also assist in protecting a carmine bee-eater colony on the river banks, which is said to be one of the largest breeding colonies in Africa. We find like-minded partners such as FirstRand Namibia Foundation Trust to fund and manage the Fish Guard project.

It is essential to plant trees to offset excess carbon and combat climate change. We cultivate indigenous trees at our nurseries at Holog Nursery at Fish River Canyon and at the Zambezi Mubala Camp. We replant these trees at our properties and the communities around us. In 2020, we began a tree planting initiative at Gondwana Canyon Park. Visitors can adopt quiver trees at the Holog Nursery to plant at the Gondwana Canyon Park. We planted over 140 quiver trees this year alone.

As the drought continued in 2020, we needed to continue feeding wildlife at the Gondwana Kalahari Park and manage game in the Gondwana Canyon Park.

A threat to our pristine environment is light pollution, which is increasing with the continuous development of Namibia. We take steps to minimise light pollution at our lodges.

<p>We planted 345 trees in 2020</p> <p>2019: 830</p> <p>1 480 trees planted since the project began in 2018</p>	<p>We aim to have the Gondwana Canyon Park accredited with Dark Sky status by the International Dark Sky Association by the end of 2021.</p>	<p>Annual Plant-a-Tree Day</p> <p>We faced a variety of challenges this year, sadly, reducing how many trees we were able to plant. This does not deter us, and we aim to plant 2 021 trees in Namibia by the end of 2021.</p>	<p>Adopt-a-Tree project</p> <p>Guests pay for a tree to be planted in communal areas at lodges. The respective community will be given the funds received from the guests for the planting and nurturing of each tree.</p>
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As custodians of nature, we take every measure to minimise our footprint thereon and maximise our positive impact.

Our human footprint

Canyon Park: **0.4%**

Kalahari Park: **1.2%**

Namib Park: **0.6%**



The Gondwana game count – keeping our parks sustainable

Gondwana Canyon Park has been operated through a scientifically sound management plan since 1996. It includes a wildlife programme that increases the diversity of species and restores nature to its original state. We reintroduced animals that had either been hunted to extinction or that migrated away from human activities over the years. These include red hartebeest, Burchell's zebra, blue wildebeest and giraffe.

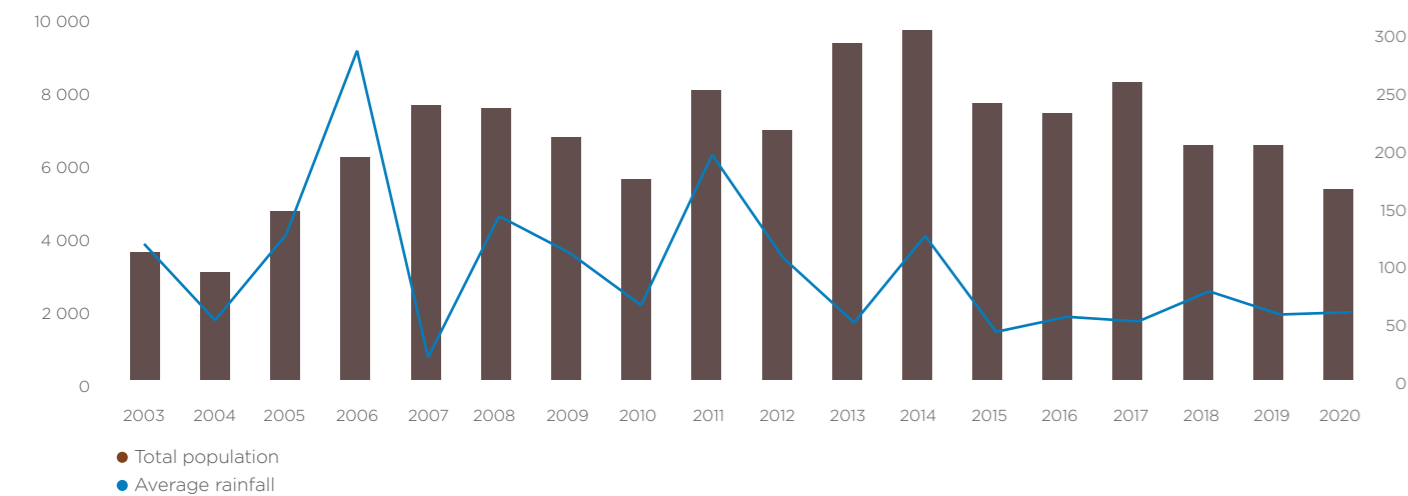
Preserving this wildlife requires that we find a balance between animal populations and the available vegetation. We monitor the animals with an annual game count in the park. The social event draws about 50 participants each winter who wrap up warmly and gather in the early morning at game viewing vehicles. Simple enough until a herd of springbok breaches the horizon and the excited participants can hardly keep up.

Game counting follows the same methodology each year to source comparable results. People count the animals on standardised routes, and computers extrapolate estimations for total animal populations based on the sample data.

The 18th game count kicked off on 18 July 2020, and showed that the land's grazer biomass had remarkably decreased in recent years. The fauna reached its highest level in 2014 after several years of good rainfall, but the ensuing drought decreased the vegetation and subsequently the game numbers. Factors include migration to better grazing land, lower reproduction and higher mortality due to the drought.

The 2020 game count showed that the land's carrying capacity increased by 0.2kg/ha to 3.9kg/ha, while the total grazer biomass decreased from 5.6kg/ha in 2019 to 3.2kg/ha in 2020.

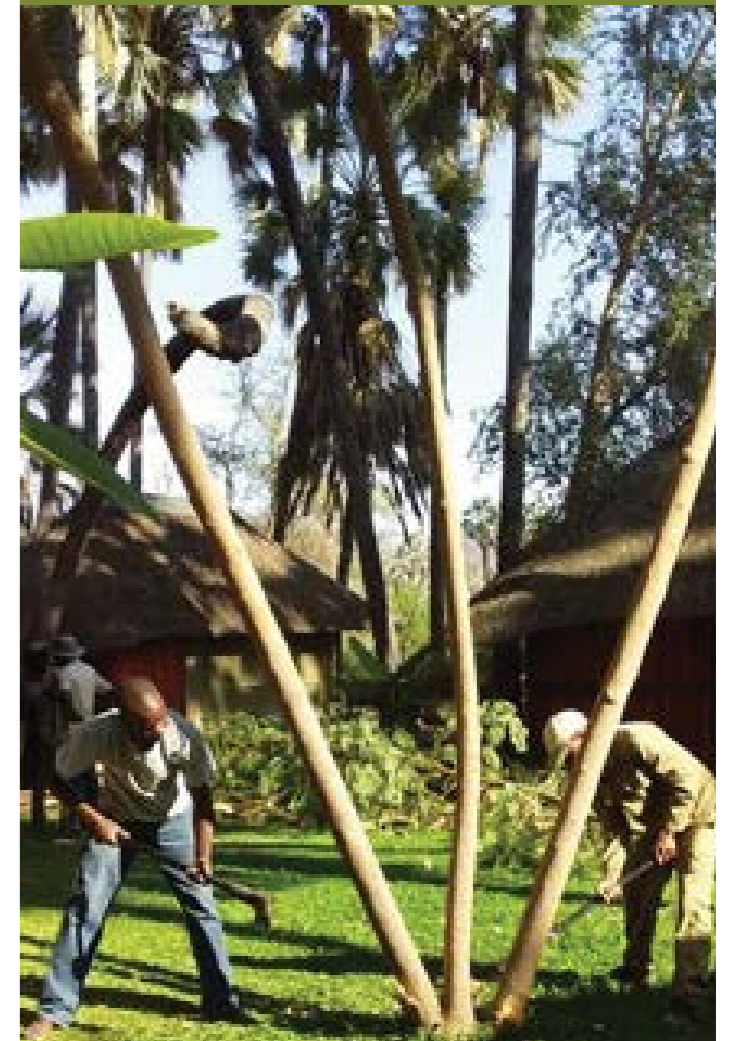
Gondwana Canyon Park game population 2003 – 2020 versus rainfall



Protecting against invader bush

Alien and invader plants enter an environment, and are sometimes cultivated, for a variety of reasons. The prosopis tree provides good shade, while prickly pears and the sand olive can be used for hedges or as ornamental plants. Some even provide fruit. But these plants spread rapidly and take nutrients away from indigenous flora if they are left unchecked. Namibia has few water-rich biomes, including ephemeral and perennial rivers. These are vulnerable to encroaching alien plant species, which can be difficult to stop.

We are committed to the fighting against alien invasive plants, especially where they can spread. We have been removing the stubborn prosopis tree in the Gondwana Kalahari and Canyon parks for decades. More recently, we have removed wonderboom at the Omarunga Epupa-Falls Camp and deadly rubber vine at the Palmwag Lodge. We remain vigilant and continue removing regrowths each season.



8.

Eco-friendly lodges and lodge activities

*Gondwana prides itself on applying **environmental sustainability practices** across all of its lodges and accommodation options.*

We operate our lodges with as little carbon impact as possible. We offer various activities or means of transportation, including:

- o E-bikes
- o Stargazing
- o Fishing
- o Dune-walking
- o Scorpion walks
- o Tree planting project in Canyon Park (where guests adopt a quiver tree)

Eco Awards Namibia

*Our lodges have repeatedly received **Eco Awards Namibia's highest seal of quality** for how sustainably we've run them in recent years.*

Eco Awards Namibia is a sustainable tourism certification programme. Tourism operators can volunteer for independent assessments. Assessments certify that they are applying a standard of environmental care and practising sustainability for the environment and Namibians.

We volunteer because the Eco Awards' accreditation process aligns to Gondwana's environmental sustainability goals. An assessment is an excellent method for determining our accommodations' social and environmental impact areas and the underlying standards. It identifies areas for improvement in performance and standards.

Like the star rating system for tourist accommodation, Eco Awards Namibia awards up to five desert flowers for environmental sustainability.

www.ecoawards-namibia.org

Green Five Flower Certificate

Award of distinction awarded for exemplary environmental efforts

- o The Desert Grace
- o The Delight

Eco Flower rating

12 Gondwana lodges

have a **five Eco Flower rating** and received excellent scores for **conservation and guiding, energy, water, legal compliance and employee health and welfare.**

Five lodges were assessed by **Eco Awards in 2020**, each receiving a **five Eco Flower rating.**

Nine lodges are due to be assessed in 2021.

**Responsible Tourism Awards**

Canyon Village received the prestigious Responsible Tourism Award in the accommodation establishment category, for sustainable energy usage during the 2020 Tourism Expo.

The coveted award was given based on interviews with lodge employees, during which the assessors gained an impression of their knowledge of alternative energies. It is the fifth consecutive year that a Gondwana Collection Namibia property has reached the final round of the Responsible Tourism Awards and the second time to win the award.

**Our eyes are on the future**

While the tourism industry took an unprecedented knock in 2020, Gondwana stood by its values by continuing to support social and environmental protection projects. This continues to garner a lot of goodwill within the country and abroad, and we will continue to positively impact our communities and environment.

A lot of the projects that required capital layout in 2020 are planned to be implemented once tourism resumes to some normality. In 2021 we will continue to build on projects that get our customers more aware of and involved in our green efforts. These include tree planting projects, guests participating in game counts in our parks, and making our water and energy efficiency data (as part of our carbon footprint) readily accessible to customers.

Meet some of our people**Stephanie de Lange**

Stephanie was born in Windhoek and earned her honours degree in zoology from the University of Stellenbosch, before earning her master's in veterinary science at the University of Pretoria in South Africa. From a young age, Stephanie wanted to work with animals, and began to live that dream when she joined Gondwana as Park Warden at the Kalahari Park in 2015.

Stephanie is pure Gondwanian with a passion for environmental sustainability. In her five years with the company, she has become increasingly involved with eco projects at our lodges. She was part of the 2019 Go4Gold Leadership Academy where she learned how to be a good mentor to her colleagues. She provides environmental training and works closely with Eco Awards Namibia on environmental sustainability assessments at the lodges.

*“One really needs to **think out of the box** and be flexible at Gondwana, but this is the best way to grow in one's career and as a person.”*

– Stephanie de Lange

PROFIT: SUSTAINING OUR IMPACT

The year in review

2020 will most likely be a less than pleasant memory for most people and organisations in the global tourism industry. Never in recent history has a single event wrought so much havoc on an industry. How do we deal with this as a business or as an industry?

In recent years, a lot of emphasis has been placed on risk management as an integrated management function. Departments were created and staffed, plans developed, these written, costs incurred, operations adopted, decisions influenced and a lot of red tape added to normal business flow. This was all in the interest of protecting a business against an elaborate list of green, amber and red perceived or possible risks, each with its own mitigating circumstances and stepped actions to avoid or shield the impact on profits. Thousands of meetings were held in boardrooms by committees of experts to prepare the tourism industry for all conceivable risks, whether material, liability oriented, environmental or financial. Then Covid-19 collapsed our industry overnight. Big names in the industry, internationally acclaimed brands and small one-man operators alike, crumbled, folded and suspended activities or permanently closed their doors despite the most carefully laid out risk management plans.

This is not to say that there is no value in comprehensive risk management plans or policies or that organisations should not spend the time and effort to develop those plans. But it does

make it abundantly clear that, without a sound business concept, conservative ratios, true values, committed and talented people, an enabling entrepreneurial spirit and responsible operational practices, no risk management plan could protect nor ensure the survival of any tourism organisation.

At Gondwana, we accepted that we do not know how long this race will be. We could not predict when conditions would turn favourable again or what conditions we would be subject to in the meantime, nor what the future beyond the pandemic could look like. What we did know was that we needed to prepare for the long haul. We needed to pace ourselves and look after the people and resources that sustain Gondwana in this race. We also knew that as the race continued, participants would continue dropping out. This added pressure, as tourism is the method by which we support the matters close to our hearts – conservation, communities, conservancies and our people and their dependants.

We were left with only one option: survive.

But survival would mean nothing if we sacrificed our values. We needed to transform Gondwana and operations for the better. Survive by focusing on and supporting the key pillars that our brands rest upon: people, environment and financial discipline. And once we did that, it was simple, shoulder to shoulder, back to back, we would fight.

While our financials for 2020 might not make for pleasant reading, be assured, the fight is not out of this organisation. Neither financially, nor spiritually. We did what needed to be done, cutting costs and placing all non-essential programmes on hold. We finished construction on Etosha King Nehale which was already nearing completion, and we continued investing in our digital capabilities, as these are essential to our future growth and optimisation.

Over the next three years, we expect to grow well. Government and policy makers are likely to be more attentive to tourism going forward, now that its impact is tangible. We are moving to diversify our single industry exposure.



Financial measures during Covid-19

From the outset, Gondwana's approach to the uncertainty of the pandemic has been to apply conservative cost management without sacrificing our values and long-term objectives with regard to conservation, our employees and communities, and financial stability. This has allowed us to safeguard cash flow and ensure durability of our financial stability for as long as may be required.

Responded timeously and continuously

- Conducted constant detailed scenario planning in line with changes in our environment

Controlled our costs through prudence and planning

- Carried out immediate and aggressive cost controls and cost saving measures at all operational entities
- Protected cash flow by stopping all outflow where possible
- Suspended all capital improvements and refurbishments
- Suspended stock procurement and moved and optimised stock (bar, food, curio, maintenance stocks) between the lodges
- Applied an immediate embargo on all new appointments, vacancies or replacements with regard to HR
- Suspended all Board and Board committee fees until further notice
- Put maintenance and refurbishments on hold and redirected that facility into cash flow and salaries

Protected our employees' take home salaries¹

- Restricted all overtime and shift allowances as per normal operating procedures and restructured all operational employees' rosters to minimise costs, downtime, leave schedules, operational employee costs and transport costs to reflect the reduction in occupancies or even complete closure of properties
- Suspended company pension fund contributions (12.5%) after consultation with the people committee and NAMFISA to reduce total employee costs without initially affecting employees' take home pay
- Reallocated employees where they were required (instead of shutting down lodges completely) and reduced employees' holding costs and removed overtime

Managed our financial risk and flexibility

- Managed bad debt by waiving cancellation fees for paid up term debtors and direct customers in distress
- Restructured overdraft facility while maintaining flexibility in model: overdraft into long-term facility to save on interest expenses and capital outflow

Utilised available help

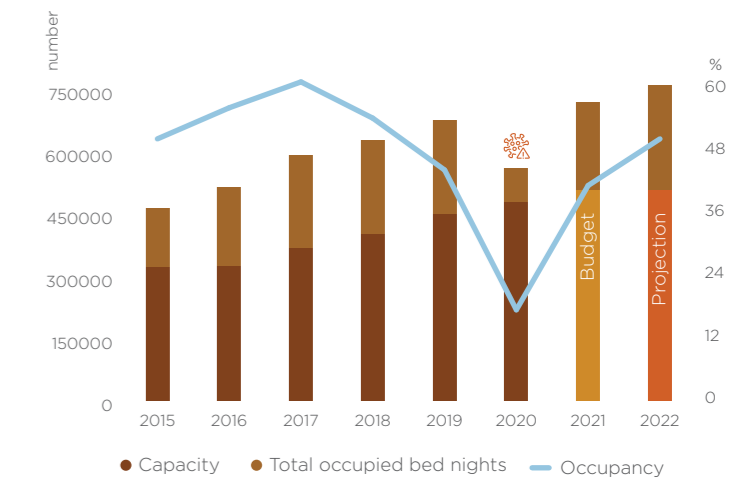
- Applied for and took all opportunities from financial institutions including social grants and payment holidays – utilised grants from the Conservation Relief, Recovery and Resilience Facility launched by the Ministry of Environment, Forestry and Tourism for Conservancies and joint venture lodge employee salaries

Engaged with customers

- Encouraged postponements rather than cancellations to conserve deposits – our customers postponed their bookings due to their trust in the Gondwana brand
- Ran projects to raise awareness of tourism's plight, such as #SOSTourism, to engage with policy makers and government

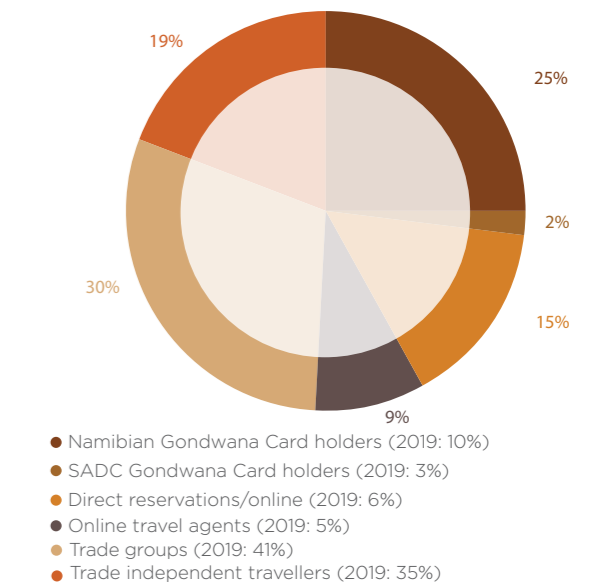
¹ We were able to protect the 100% take home salary up until the end September, from October there was a voluntary 25% salary reduction.

Growth in occupied bed nights per year



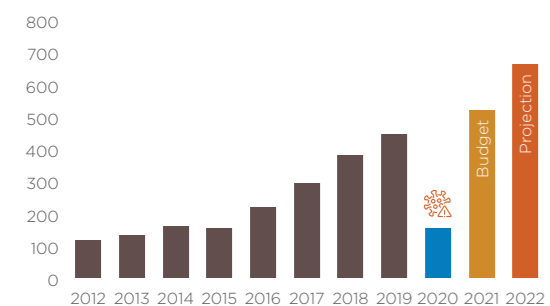
Occupancy ratios in 2020 were characterised by a 7% growth in capacity as the new Etosha King Nehale opened, but, due to lockdown restrictions, occupancy rates dropped from 50% to 17%. Many tourism-related businesses became distressed during the year, potential for mergers and acquisitions opened up and will be investigated in 2021.

Booking sources (%)



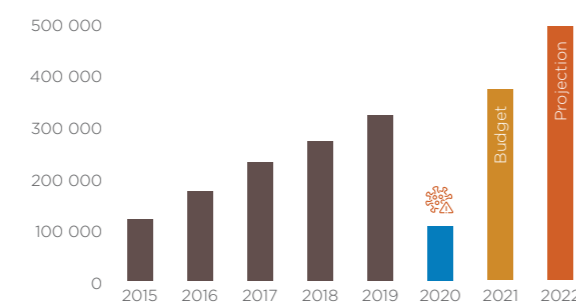
We use booking source allocations to measure the origin and category of our guests.

Total consolidated revenue (N\$'000)



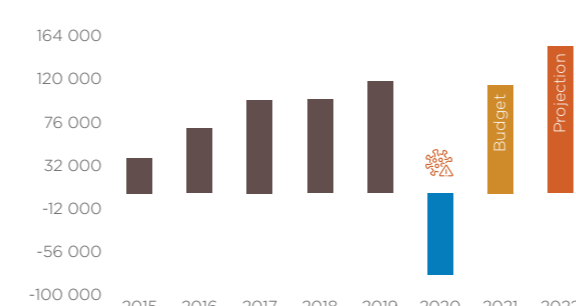
Consolidated revenue showed a 66% decrease against 2019 from N\$446 million to N\$153 million and a decline in yield per guest of 3% as local and regional travel dominated.

Gross profit (N\$'000)



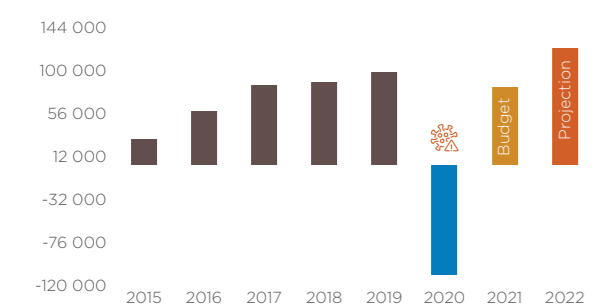
Gross profit decreased by 67% while gross profit margin reduced by 4%.

EBITDA (N\$'000)



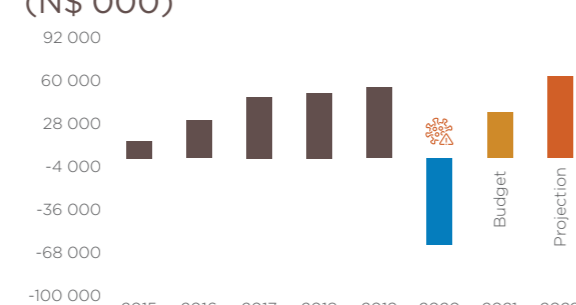
Earnings before interest, taxation, depreciation, and amortisation (EBITDA) is a measure of the company's overall financial performance.

Operating profit (EBIT) (N\$'000)



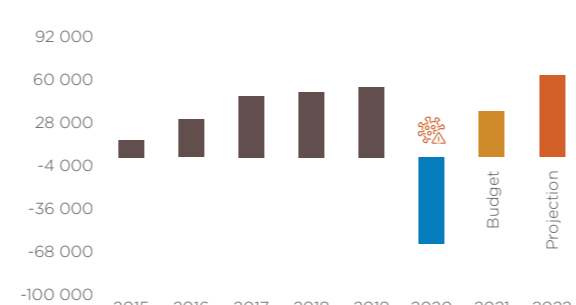
Earnings before interest and taxation (EBIT) showed a 219% decrease on 2019.

Total comprehensive income/(loss) (N\$'000)



The company's net profitability decreased dramatically following the Covid-19 pandemic.

Earnings per share (cents per share)



Total number of issued shares remained at 66 357. Due to the loss as a result of the pandemic, the earning per share decreased from 2019.

Without money, conservation is just conversation.

Group statement of profit and loss and other comprehensive income

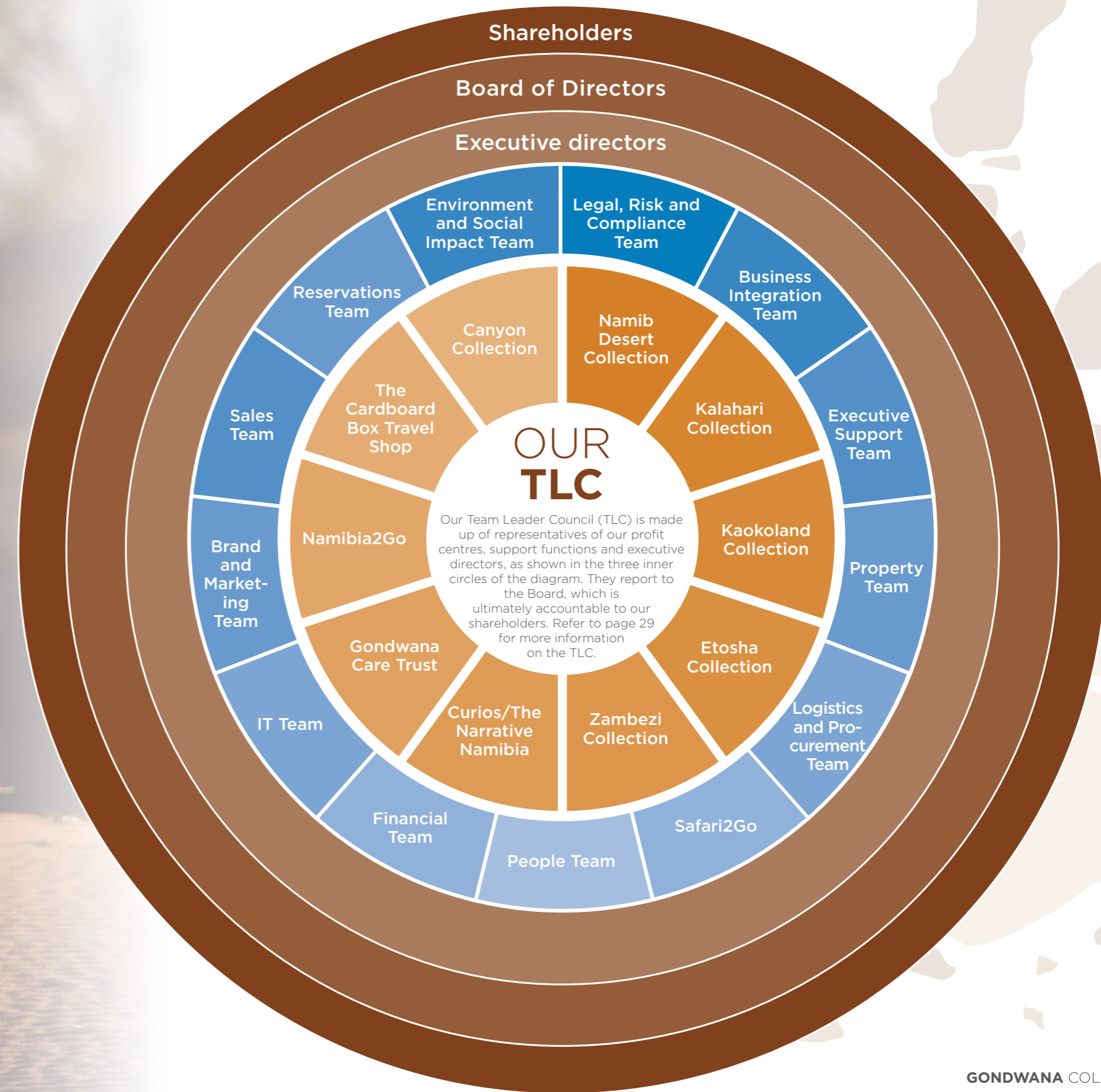
As at 31 October

	2021 Budget N\$'000	%	2020 N\$'000	%	2019 N\$'000	%	2018 N\$'000	%	2017 N\$'000	%	2016 (restated) N\$'000
Guests ('000)	211	164	80	(64)	225	(0.4)	226	1	223	17	190
Revenue	520 558	239	153 466	(66)	446 388	17	380 408	30	291 870	33	219 549
Cost of sales	(150 477)	212	(48 297)	(62)	(126 159)	14	(110 386)	78	(62 083)	33	(46 567)
Gross profit	370 081	252	105 169	(67)	320 229	19	270 022	18	229 787	33	172 982
Gross profit (%)	71	4	69	(4)	72	1	71	(10)	79	-	79
Other income	2 384	(75)	9 614	64	5 868	59	3 693	(34)	5 597	114	2 613
	372 465	224	114 783	(65)	326 097	19	273 715	16	235 384	34	175 595
Operating expenditure	(261 648)	33	(197 307)	(7)	(211 568)	19	(177 626)	27	(140 229)	28	(109 322)
Movement in credit loss allowance	-	-	(666)	-	-	-	-	-	-	-	-
EBITDA	110 817	(233)	(83 190)	(173)	114 529	19	96 089	1	95 155	44	66 273
EBITDA (%)	21	(139)	(54)	(311)	26	2	25	(23)	33	8	30
Operating expenditure - depreciation	(31 400)	7	(29 219)	46	(20 064)	70	(11 802)	(11)	(13 335)	19	(11 220)
Operating profit/(loss) (EBIT)	79 417	(171)	(112 408)	(219)	94 465	12	84 287	3	81 820	49	55 054
Investment income	20	(90)	208	(92)	2 495	92	1 297	-	-	-	-
Net finance cost	(29 317)	17	(25 088)	21	(20 808)	45	(14 368)	3	(13 920)	(2)	(14 228)
Share of profit of joint venture	-	-	229	-	-	-	-	-	-	-	-
Profit/(loss) before taxation	50 120	(137)	(137 060)	(280)	76 152	7	71 216	5	67 900	66	40 826
Taxation	(16 038)	(137)	43 664	(284)	(23 793)	4	(22 775)	2	(22 398)	78	(12 588)
Profit/(loss) for the year	34 082	(136)	(93 396)	(278)	52 359	8	48 441	6	45 502	61	28 238
Other comprehensive income	-	-	29 632	-	-	-	-	-	-	-	-
Total comprehensive income/(loss)	34 082	(153)	(63 764)	(222)	52 359	8	48 441	6	45 502	61	28 238
Dividend declared	-	-	-	-	17 500	9	16 100	9	14 800	56	9 467
EBITDA ratio											
Total long-term liabilities (excluding deferred tax liability)			324 565	83	177 098	(3)	182 489	45	125 647	3	122 123
Ratio to total EBITDA			(3.90)	(352)	1.55	(19)	1.90	44	1.32	(28)	1.84

Note: % year-on-year increase or (decrease).

How we GOVERN GONDWANA

- 77 Our TLC
- 80 Gondwana's Board of Directors
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- 86 Our Board
- 88 Sustainability committee
- 90 People committee
- 92 Audit, risk and opportunity committee





- Front row**
- Frank Rechter** Collection Manager: Zambezi Collection
 - Iroleen Hurter** Commercial and Integration Manager
 - Wandi van Hout** Namibia2Go General Manager
 - Manni Goldbeck** Brand Director (executive director)
 - Sonia Noirfalise-Corsini** Group Curio Manager
 - Tessa Albrightson** Group Finance Manager
 - Jana Burger** Group HR Manager
 - Anja von Reeken** Logistics and Procurement Manager
 - Jescey Visagie** Group Brand and Marketing Manager
 - Charly Schoeman** Customer Engagement and Relationship Manager
 - Fabiola Schrywer** Legal advisor/Company Secretary
- Back row**
- Emile Hart** Integrated Cluster Manager
 - Rudi Stein** (Trainee) Collection Manager: Canyon Collection
 - Simon Andreas** Collection Manager: Kaokoland Collection
 - Gerhard Swart** Group Sales Manager
 - Alain Noirfalise** Operations Director (executive director)
 - Agnes lipumbu** Collection Manager: Etosha Collection
 - Lance Rentel** Collection Manager: Kalahari Collection
 - Konni Friedrich** Collection Manager: Namib Desert Collection
 - Gys Joubert** Managing Director (executive director)
 - Jaco Visser** Financial Director (executive director)
 - Anthea Cloete** Group Reservations Manager
 - Quintin Hartung** Group Environmental and Social Impact Manager
 - Dgini Visser** Gondwana Care Trust
 - Almut Kronsbein** Executive Liaison Officer
 - Erik Voges** Chief Information Officer
 - Lappies Laubscher** Estate Manager



GONDWANA'S BOARD OF DIRECTORS

Trophy Hiwilepo
Non-executive director

Chris Gouws
Non-executive director

Manni Goldbeck
Executive director, Brand Director

James Mnyupe
Independent non-executive director

Alain Noirfalise
Executive director, Operations Director

Steve Galloway
Independent non-executive Chairperson

Jaco Visser
Executive director, Financial Director

Florentia Amuenje
Independent non-executive director

David Namalenga
Independent non-executive director

Gys Joubert
Executive director, Managing Director

Insert: Hannes Gouws
Non-executive director



Stephen (Steve) Stuart Galloway*Independent non-executive Chairperson***Appointed:** 17 October 2017**Committee:** sustainability**Qualifications**

- o BSc (Geology and Chemistry) (UCT)
- o BSc Hons (Geology) (UCT)
- o BCom Hons (Econ) (UNISA)

External directorships and positions

- o Director of Mobile Telecommunications Limited
- o Member of the public-private partnership committee
- o National Governing Council – African Peer Review Mechanism
- o Honorary Life Member of Chamber of Mines Namibia
- o Trustee of B2Gold Namibia CSI Board (2015)
- o Founder member and director of Community Conservation Fund of Namibia
- o Executive committee member of Namibian Chamber of Environment
- o Law Reform Commission Section 10 Committee on NEEEB
- o Director of Namibian Institute of Corporate Governance

Gysbert (Gys) Johannes Joubert*Executive director, Managing Director***Appointed:** 17 October 2017**Committee:** standing invitee to the committee meetings**Qualifications**

- o BCom (Law) and LLB (University of Stellenbosch)
- o LLB (University of Antwerp, Belgium)
- o LLM (Shipping Law) (UCT School of Legal Practice)
- o LLM (Corporate Law) (UNISA)
- o Admitted Legal Practitioner (University of Namibia, Justice Training Centre)

External directorships and positions

- o Co-principal of Aldes Business Brokers Namibia
- o Co-owner of Direct Auto 4x4 Centre
- o Trustee of Capricorn Investment Holdings Group Retirement Fund
- o Trustee of Dutch Reform Church Retirement Fund
- o Chairman of Gondwana Care Trust

Mannfred (Manni) Goldbeck*Executive director, Brand Director***Appointed:** 17 October 2017**Committee:** sustainability**Qualifications**

- o Teacher Training College – qualified teacher

External directorships and positions

- o Chairperson of Namibian Association of Protected Desert Areas
- o Director and shareholder of Moonraker Adventure Camp (Proprietary) Limited – a Goldbeck and Fincke family project
- o Chairperson of the Wild Horse Foundation

Christiaan (Chris) Johan Gouws*Non-executive director***Appointed:** 17 October 2017**Committees:** people and audit, risk and opportunity**Qualifications**

- o Business, Language and Culture Studies (BLC)
- o LLB (University of Pretoria)
- o BCom (University of Potchefstroom)

External directorships and positions

- o Partner at Fisher, Quarmbly & Pfeifer
- o Member of Conserv Engineering Services CC
- o Trustee of Oryx Properties Limited Secured Debenture Trust
- o Trustee of several family trusts as well as an educational and charity trust
- o Trustee of Gondwana Care Trust

Alain Gerard Isidoor Noirfalise*Executive director, Operations Director***Appointed:** 17 October 2017**Committee:** sustainability**Qualifications**

- o Diploma in Latin, Greek and Science degree (Kruisheren College, UFSIA, Belgium)

Jaco Visser*Executive director, Financial Director***Appointed:** 17 October 2017**Committees:** sustainability and audit, risk and opportunity**Qualifications**

- o BCom (University of Stellenbosch)
- o Diploma in Industrial Psychology (Cape College)
- o Diploma (PVC Blowmoulding) (Linpac, France)
- o Master of Confectionary (ZDS, Germany)

Lukas (Hannes) Johannes Gouws*Non-executive director***Appointed:** 17 October 2017**Qualifications**

- o B.Luris (PU)
- o LLB (UP)
- o LLM – Banking and Stock Exchange Law (RAU)
- o Certificate in economics (Edinburgh Business School, Heriot-Watt University)
- o Certificate in accounting (Edinburgh Business School, Heriot-Watt University)
- o Certificate in organisational behaviour (Edinburgh Business School, Heriot-Watt University)
- o Professional: Admitted attorney, notary and conveyancer

External directorships and positions

- o Erf 822 Woodhill (Proprietary) Limited
- o Riverport Trading 157 (Proprietary) Limited
- o Future Indefinite Investments 235 (Proprietary) Limited
- o Hannes Gouws and Partners Inc.
- o Hannes Gouws and Partners (JHB) Inc.
- o Woodhill Homeowners Association NPC

Trophimus (Trophy) Tuluudeni Hiwilepo*Non-executive director***Appointed:** 17 October 2017**Committees:** sustainability* and audit, risk and opportunity**Qualifications**

- o BSc (University of Western Cape)
- o Director of Namhake Investments (Proprietary) Limited
- o Director of Nedbank Namibia Limited
- o Director of NedNamibia Holdings Limited
- o Director of Seawork Fish Processors (Proprietary) Limited
- o Member of FAYO Information Technology Services

Florentia Amuenje*Independent non-executive director***Appointed:** 17 October 2017**Committee:** people***Qualifications**

- o MBA (University of Stellenbosch Business School)
- o Master's (Research Psychology) (Rhodes University)
- o BA Hons (Industrial Psychology) (University of Namibia)
- o NDip (Nursing Science)

External directorships and positions

- o Trustee of Old Mutual Namibia (Proprietary) Limited
- o Employee Empowerment Trust
- o Board member of Debmarine Namibia, Namdeb Foundation member

David Namalenga*Independent non-executive director***Appointed:** 11 April 2019**Qualifications**

- o NDip (Public Administration) (Polytechnic of Namibia)
- o Management Development Programme (University of Stellenbosch)
- o PGD (Law) (Arbitration and Conciliation) (University of Namibia)
- o BA (Technikon SA)

External directorships and positions

- o Managing director of Dinapama Manufacturing & Supplies
- o Director of Nammic Financial Services
- o Director of Token Fishing
- o Director of Gazania Investment Holdings
- o Director of Nafau Investment Holdings

James Yusufu Mnyupe*Independent non-executive director***Appointed:** 12 November 2019**Committee:** audit, risk and opportunity***Qualifications**

- o BAcc (Accounting) (University Namibia)
- o BAcc Hons (Accounting) (Rhodes University)
- o Chartered Accountant (SA), (SAICA) and (NAM) (ICAN)
- o Chartered Financial Analyst (CFA Institute)
- o Certified Financial Planner (CFPI)
- o Certificate in Infrastructure in Market Economy (Harvard Kennedy School)

External directorships and positions

- o Director of Road Fund Authority
- o Member of PPP Committee Ministry of Finance
- o Shareholder (through Mnyups family trust) at Allan Gray Namibia
- o Presidential Advisor for the Presidency

* *Committee chairperson.*

With the exception of James Mnyupe and David Namalenga, all directors were appointed to the restructured Gondwana Holdings Board on 17 October 2017. However, some of the directors were already serving as such prior to the restructure.

GONDWANA'S GOVERNANCE STYLE

Gondwana practises good governance by doing what is right.

Our priority is to make an actual positive impact rather than being perceived to be making an impact. However, to achieve our strategic aim to list on the NSX, we need visible structures on which potential shareholders can make investment decisions. To this end, we adopted the King IV framework and constituted our three current Board committees in 2019.

How ethical and effective leadership sustained the business

During the year, the Board agreed that the company's employees are indispensable. It demonstrated this belief by waiving its own sitting fees for meetings in solidarity with the financial sacrifices made by shareholders, management and employees. The executive directors led by example when they took larger voluntary salary cuts than general employees.

Considering that many tourism operators, public and private, could not honour their commitments to their employees or their communities, Gondwana was held in particularly high regard. This social and relationship capital will benefit us going forward.

Governance improvements

We increased our communications and flexibility during the year by, for example, hosting a digital AGM.

Measuring Board effectiveness

Our policy is to measure Board effectiveness annually. We planned to implement annual performance assessments from 2020, but postponed until 2021 considering the abnormal year.

Governing and managing stakeholder relationships

During the year, a detailed stakeholder Covid-19 crisis communication plan outlined dates and methods for engaging with each stakeholder grouping.

The Board engaged with shareholders through an electronic AGM, and together with tourism institutions like FENATA and the Hospitality Association of Namibia (HAN), engaged with government and contributed to the International Tourism Revival Initiative to reopen the tourism industry responsibly.

2020 Board focus areas

Regional and domestic expansion: We deliberated on the acquisition of a strategic property at Hosea Kutako International airport, proceeded with the planning developments of the Victoria Falls property and investigated public-private partnership opportunities and further value chain integration.

Bond Programme: A Bond Programme could be an additional leverage for opportunities and investments that will enable us to directly access the capital markets and asset managers.

IT strategy: We are preparing for the Fourth Industrial Revolution and have appointed a CIO to lead and focus on our IT strategy and extract opportunities and benefits from our data and expertise.

Stress testing and scenario planning: At the onset of lockdowns in March, we held a Board meeting to consider the impacts of the crisis as it began to affect the business.

Financial decisions: We deferred dividend payments and approval of the employee share ownership plan, and the Board waived its sitting fees for Board and committee meetings from April 2020.

Meet our Chief Information Officer (CIO)

Erik Voges

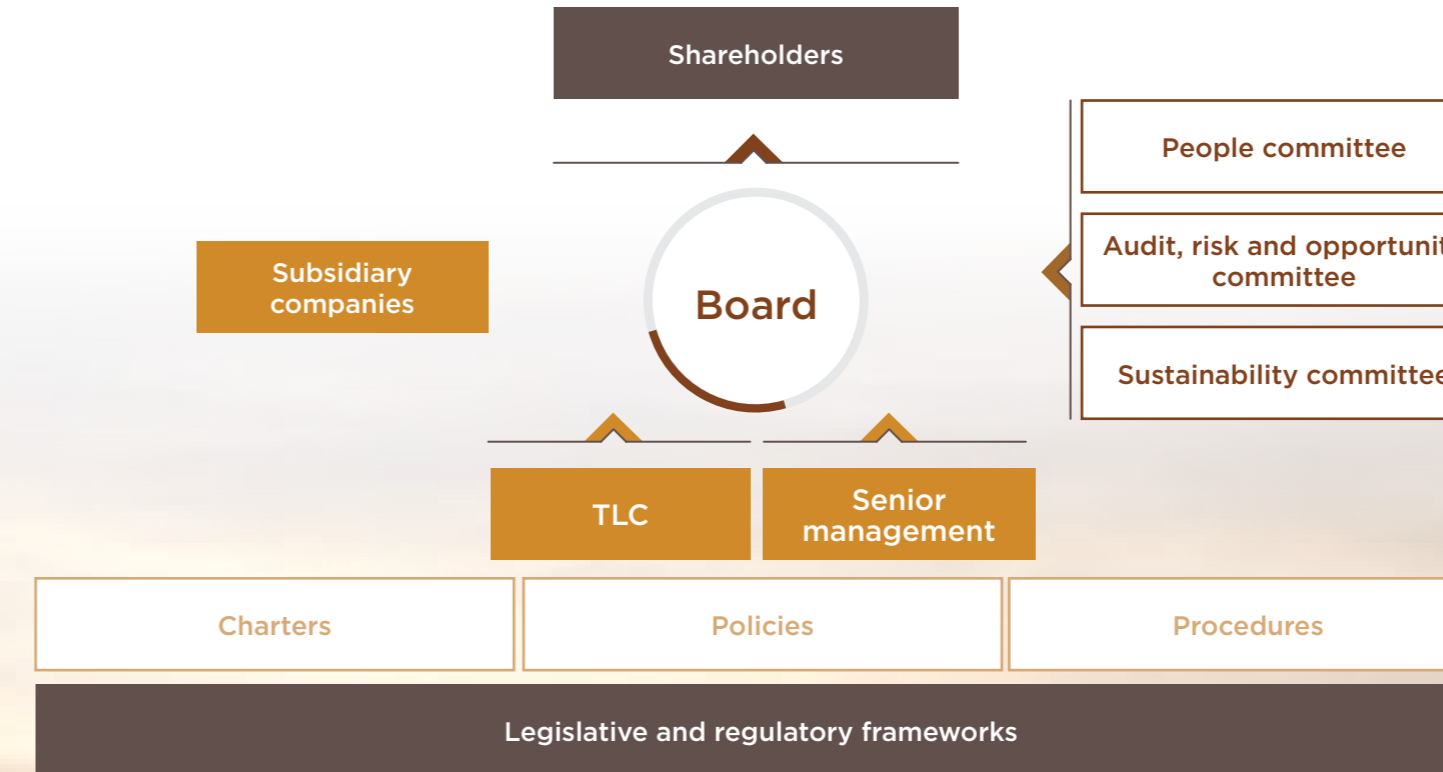
Erik grew up in Namibia. He earned his bachelor's in business science at the University of Cape Town, South Africa. Between working for corporates and lecturing at the university, he finished his master's degree in computer science in 2001. He co-founded one of the world's first companies to automate chart pattern recognition for the financial industry. Eleven-and-a-half years later he would sell his stake in the business and return to Namibia.

He was first introduced to Gondwana shortly thereafter, when he heard about the Gondwana Card. As a loyal card holder Erik and his family regularly visited the Gondwana lodges. He joined us formally in September 2020 as CIO leading our diverse IT Team.

"(With the Gondwana Card) I had wonderful experiences at the places I visited. I was sold on the brand and the product long before I knew I'd work here."

Our governance framework

The Board reports to our shareholders and delegates specific responsibilities to the Board committees. The TLC and senior management report to the Board. The Board and committees have full oversight and responsibility over subsidiary company operations and policies.



Charters, policies and procedures

Gondwana's Board Charter supports good corporate governance and helps the Board oversee strategic execution and sustainable value creation for our stakeholders.

It sets out the responsibility of the Board to lead ethically and effectively govern in a way that supports an ethical culture.

Board members declare their interests in other entities on an annual basis. Our Conflict of Interest policy encourages employees to be transparent regarding any personal interests that may compete with the interests of Gondwana.

Gondwana's grievance process and MD Broadcast Group allow employees unfettered direct access to the MD via WhatsApp to raise issues they perceive, among others, as potential ethical breaches.

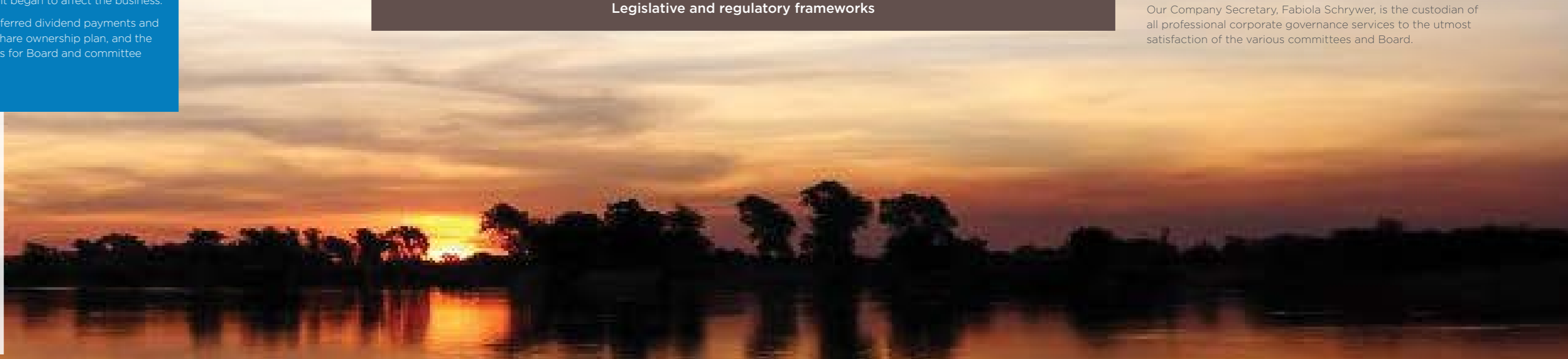
Legislative and regulatory frameworks

Reporting frameworks are guided by:

The applicable legislation, regulation and financial reporting standards, such as:

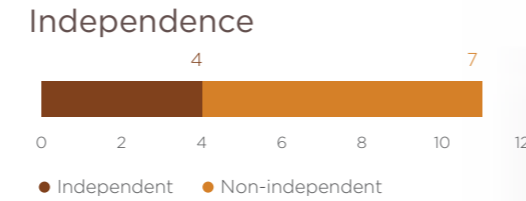
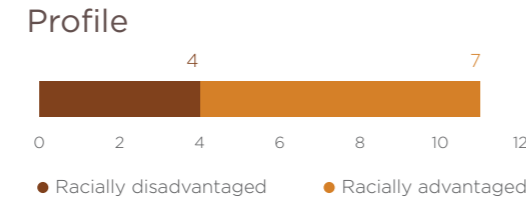
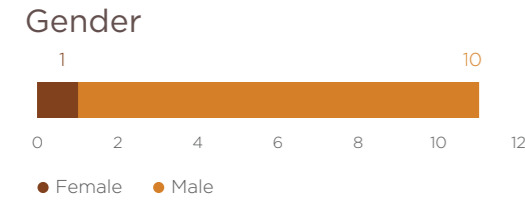
- o Companies Act, 28 of 2004 (Companies Act)
- o NamCode
- o Stock Exchange Control Act, 1 of 1985
- o International Financial Reporting Standards (IFRS)
- o International Standards on Auditing (ISAs)
- o Financial Intelligence Act, 13 of 2012 (FIA)
- o King IV

Our Company Secretary, Fabiola Schrywer, is the custodian of all professional corporate governance services to the utmost satisfaction of the various committees and Board.



OUR BOARD

Director composition

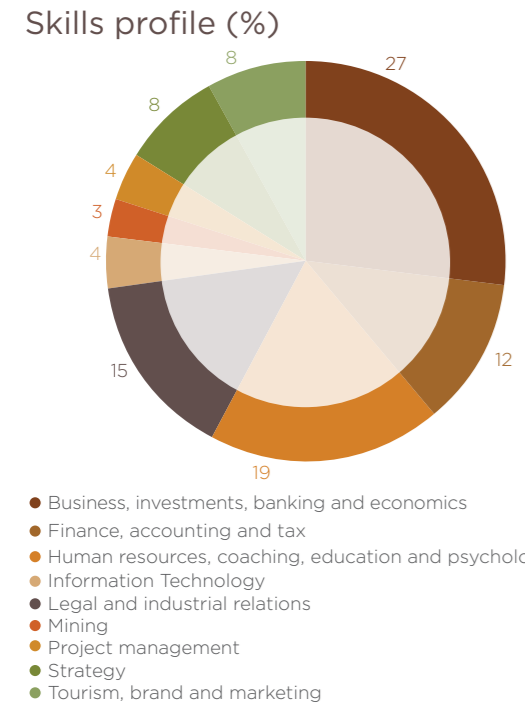


We believe that Board diversity is essential. Although we are outcomes based and do not have specific stipulations, we always aim for a balance in demographics, skills and independence when making Board appointments.

The Board Charter requires the Chairperson to be non-executive and independent, and is subject to annual election by the Board. Where the Chairperson has a perceived conflict of interest, one of the independent non-executive directors is nominated as Lead Independent Director to chair the specific discussion.

Our Board committees undertook their first full year of service in 2019.

As we set the structures in place for listing, we believe that we need to have more diversity in gender and skills to have a convincing story. Apart from this, the Board believes its members are suited to foster good governance in Gondwana.



Board meetings

The Board and committees meet at least once every quarter in accordance with their respective charters.

Independent experts attend committee meetings to provide valuable advice. Members of the Exco and senior management teams are also invited to attend.

Meeting attendance

	Board	Sustainability committee	People committee	Audit, risk and opportunity committee
Number of scheduled meetings	4	4	4	4
S Galloway	4/4	3/4		
A Noirfalise	4/4	4/4		
C Gouws	4/4		4/4	1/1
F Amuenje	3/4		3/4	
J Visser	4/4	2/4		4/4
J Mnyupe	3/3 ¹			4/4
M Goldbeck	3/4	2/4		
T Hiwilepo	4/4	4/4		4/4
G Joubert	4/4	3/4	4/4	4/4
H Gouws	2/4			
D Namalenga	3/4			

¹ Appointed at November 2019 meeting.

Notes

- Where the Board member is not a member of a committee, no attendance is indicated.
- The Board had four scheduled Board meetings, an annual strategy meeting and an ad hoc meeting during lockdown, which brings the total number of times the Board met to six.
- Chris Gouws was appointed to the audit, risk and opportunity committee at the third-quarter Board meeting, and therefore only attended one committee meeting.

Ethical and effective leadership

The following outlines how Gondwana's Board and TLC achieve King IV's four outcomes of ethical and effective leadership:

Ethical culture

This is exemplified by integrity, competence, responsibility, accountability, fairness and transparency, and pervades the whole company. For the Board, it is clear that an ethical culture is already tangible and entrenched in Gondwana. Our role is to foster this culture and not inhibit it with regulations or bureaucracy.

Good performance

We are aware that profits facilitate Gondwana's goals; however, good performance is not just financial. Board and TLC discussions centre on the wellbeing of the company before any analysis of financial performance. The Board and TLC share the belief that Gondwana will be successful over the long run if it is ruled by passion and purpose, not profit. If Gondwana's main aim is to make the world better by the way it does business, it can earn profits by helping its stakeholders thrive.

Effective control

Effective control is about achieving strategic objectives and positive outcomes. At a company like Gondwana, it is appropriate that the Board does not force stringent control. As a sounding board on strategic issues, it is essential that the Board gives the TLC the freedom to sense trends and respond with agility, to use corporate governance as a tool to act deliberately and mindfully, while remaining flexible. This flexibility was essential in 2020 when leaders needed to think and act quickly to new challenges as they arose.

Legitimacy

Gondwana is changing, and it is important the company maintains trust and legitimacy. The brand is aspirational, loved and admired in all spheres of Namibian society, including community and government leaders. Gondwana is committed to Namibia and through the company's approach to business, employment, planet and community commitments, continues to drive legitimacy in Namibia.

SUSTAINABILITY COMMITTEE

Trophy Hiwilepo

Contributing to long-term sustainable financial value for the company while protecting nature and people.

We see ourselves as an integral part of society and the environment.

Gondwana's sustainability depends on multiple factors, including profitability, structural and operational agility, innovation and having an empowered employee base. To this end we focus on:

- Sustainable profits to the benefit of Gondwana and those we commit funds to
- Adaptable and sustainable environmental management and protection
- Information management, analytics and innovation
- Enhancing our impact and influence for the good of all through partnerships
- Reducing inequality

In 2020, our very existence as an organisation was put into focus.

We needed to ask ourselves how we survive without losing sight of our values and principles.



What we did in 2020

The committee:

- Considered strategies for further investment in and provided entrepreneurial support to the **conservancies and communities** surrounding our operations
- Reviewed and approved the **environmental overview policy** as well as considering the scope and implementation of the envisaged **environmental assessment**
- Supported management in facilitating the signature with Ministry of Environment, Forestry and Tourism of the **traversing right agreement** into Etosha National Park via the King Nehale gate
- Provided input and guidance to management on implementation of an adaptive **park management plan** following the persistent drought
- Oversaw the appointment of a **Community Liaison Officer** with a focus on the conservancies in Kavango and Zambezi, as well as the Kunene and Oshikoto regions
- Strategised and advised on matters relating to Gondwana's operations in conservancy communities

Our eyes are on the future

Going forward, we need to consider what tourism will look like post-Covid-19, and how Gondwana needs to adapt to these new realities. We need to know how our relationships and resources we depend on will change. We appreciate and understand that tourism will most likely never be as it was pre-Covid-19 – a new normal for tourism will emerge. We already know that tourism should recover gradually, beginning with domestic, then regional, then inter-continental tourism.

The vaccine is the key for the establishment of some level of certainty. Fair and equitable access to the vaccine is important for the global containment of the virus and the prevention of new variants occurring.

Although we remain optimistic, we are aware of the uncertainty we face. To this end we will continue to be adaptive and innovative in how we respond, so as to contribute to a truly sustainable Gondwana that will outlive its founders while remaining true to its values.

The committee will continue to support management and our employees who have done a sterling job in steering the company during the uncertain 2020.

Going into 2021, our focus areas will be:

- Finalising Gondwana's Social Impact policy.
- Finalising negotiation and signing new conservancy agreements with Palmwag, Salambala and Mashi Conservancies. The aim is to maximise the benefits shared to the conservancies.
- Supporting and continuing engagement with conservancies where Gondwana lodges are located.
- Engaging and working together with our partners (including government) towards the revival of tourism.

We will continue to invest and take care of our employees, the environment, communities and, through the Trust, those most vulnerable in our society.

Committee overview

The sustainability committee (the committee) oversees social and environmental matters and discusses matters material to Gondwana's sustainability. The committee's strategy in relation to Gondwana's sustainability is based on the following pillars:

Business innovation improves working practices to anticipate and pre-empt emerging threats while identifying and exploiting the opportunities they hold. Prudent innovation also contributes to our aspirational brand.

Gondwana is focused on **people** and the **environment**. We improve the lives of the people we affect, while protecting and advocating for our environment.

Our strategy includes a focus on fostering quality partnerships with the right stakeholders. In doing so, we can set the standards for **sustainable business practices** in Namibia.

The committee is chaired by Trophy Hiwilepo, and external professionals Greg Stuart-Hill, Eino Emvula and Mike Mukete are independent non-executive members.

PEOPLE COMMITTEE

Florentia Amuenje

Over the course of the year, Covid-19 changed from news headlines and statistics to personal stories about family members passing on or struggling financially. Many employees needed to keep working while grieving. We saw this, and we prioritised their psychological and physical wellbeing.

2020 was a test of our resilience, for management, for Gondwana and for the tourism industry as a whole. In this time, I was reminded of how essential teamwork is. We only function and thrive thanks to our inter-connected sets of skills, attitudes and commitments to one another.

Gondwana dedicated itself to not leaving any employee behind. Employees are part of our family, and their hardships are the company's hardships. Their wellbeing, job security and development are non-negotiable. Our leadership takes this to heart. We are privileged to have a competent and compassionate



TLC which does whatever is necessary to keep the company afloat without losing its spirit.

What we did in 2020

During the year, we focused on four key items:

- **Covid-19:** Government provided national guidance on how to operate during the lockdowns. The committee assisted management in unpacking this legislative documentation to be appropriate for Gondwana, and to be understandable for all employees. Many changes were needed quickly, and the committee assisted the Board in applying them without contravening new or existing laws or regulations affecting employees. The committee engaged with regulator NAMFISA on how to reduce salaries in the right way.
- **Finalise the employee share scheme for shareholder approval:** Gondwana's employee share scheme aims to build inclusive growth where employees share in our success. It helps to formalise and preserve the founders' vision of shared wealth over the long term. It is also a practical tool to attract, motivate and retain talent. During the year, we refined the proposed scheme and presented it to the Board. The intention remains to present it to the shareholders for approval at the next AGM.
- **Develop formalised executive employment contracts:** A 2018 audit recommended that executive directors have formalised employment contracts. These should align to Gondwana's articles of association, the NamCode and the Companies Act, and they should facilitate effective succession planning. In 2020, we continued deliberating on and refining the contracts, drawing on our legal expertise to ensure compliance with any necessary code or regulation. The committee presented the contracts to the executive directors for their comment and/or approval.
- **Approve the remuneration policy:** King IV recommends a formalised and standardised remuneration policy. The committee refined Gondwana's remuneration policy and submitted it to the Board, which subsequently approved it.

Our eyes are on the future

We are excited that vaccines are being distributed and appear effective, but we realise that they are produced in countries that wish to protect their own citizens foremost. New virus variants might also complicate the search for a universal cure. As such, we expect that Covid-19 will remain a reality for at least a few more months. Once we emerge from the other end, the industry will have changed with many new dynamics to become familiar with.

While we cannot predict all changes, we will adapt as needed and keep our eyes on our employees' needs. We are proud of their empathy for local communities and look to create channels that help them meaningfully improve the lives of struggling Namibians.

Going into 2021, our focus areas will be:

- Holistic employee wellbeing
- Developing leadership and management to execute the above focus area
- Facilitating remote working arrangements, virtual employment, and automated and virtual learning
- Diversity

The pandemic persists and the industry will be slow to recover. As always, our most important consideration is safeguarding employees and their jobs.

Committee overview

The people committee (the committee) oversees all functions managed by the People Team at an operational level. These include HR, remuneration, Board nominations, employee share schemes, talent management and succession planning.

The People Team ensures compliance, among others, with the following:

- The Labour Act, 11 of 2007 in terms of fair recruitment and employment practices
- The Affirmative Action (Employment) Act, 29 of 1998 for which an annual affirmative action report is submitted to the Employment Equity Commission to report on our alignment with the requirements of the Affirmative Action Act
- Health and occupational safety regulations
- The Gondwana Code of Conduct, which sets out ethical conduct
- Gondwana's recruitment processes, which aim to identify individuals whose values align to the Gondwana Way (new employees undergo induction training during which they are familiarised with the Code of Conduct)

The committee is chaired by Florentia Amuenje, and external experts Hilma Weber, Gondwana's former head of HR, and Jaco Boltman, a labour law practitioner, attend meetings.

AUDIT, RISK AND OPPORTUNITY COMMITTEE

James Mnyupe

Focus on opportunities without overshadowing risk

2020 has been a unique and relentless stress test on the backbone of Gondwana and indeed of Namibia and the world at large. Our country's GDP was estimated to have contracted by 7.8% and our deficit ballooned from 4% to more than 10%. Gondwana's revenue shrank by 66% and operating profit by 219%. However, we did not shed any employees during this trying time – a decision that will likely be the subject of many a case study for years to come.

We have always acknowledged that risk is multifaceted and ever changing and, therefore, we needed to construct resilient and robust mechanisms to ensure that the future of the company is safeguarded. 2020 provided undisputed evidence that the management team and employees are up to the task and have prepared this ship to sail through stormy weathers. The beauty of this year is that it will produce many skilled sailors who will further entrench the probability that Gondwana will indeed become a 1 000-year-old Namibian giant on the African continent!

What we did in 2020

We reviewed the financial statements and considered the robustness of the assets, and in particular the intangible assets, on the balance sheet, given the evolving contractionary environment that the tourism sector globally found itself in. We undertook various scenario planning exercises and considered alternative strategic outcomes that may be necessitated by the outcomes of the scenarios. To augment Gondwana's ability to weather this dynamic and ever-evolving storm, leadership instituted unprecedented cost cutting measures, with senior management bearing the brunt of this intervention – exhibiting leadership that was inspiring for all of Namibia to see. While we continued to focus on risk mitigation, a keen eye was also kept on opportunities that were bound to appear as various peers closed operations, laid off workers and as the state sought to embark on a journey of recovery for the tourism sector and the broader economy as a whole.



Our eyes are on the future

Risk identification mitigation and control have become more important than ever before. Gondwana's financial statements display prudence and scope for additional capital raises if needed. Our gearing ratio is less than 50%. Management established risk mitigating measures which could have a material impact on our ability to take advantage of various opportunities on the horizons. Our decision not to lay off employees during the initial shutdowns has resulted in a nimble and robust entity that was ready to pounce on any operational and strategic opportunities. The risk of staying open for business was shared across all key stakeholders, including employees, capital providers and the state – this level of Ubuntu (togetherness) was unprecedented and provided a great example to our children of what is possible when we hold hands and are resolute in our ambition to move the proverbial mountain.

Opportunities to create long-term wealth for shareholders will reveal themselves as we explore the potential of our new IT investments, reap the benefits of our risk mitigating initiatives and explore the possibility of partnering with the public sector to unlock the potential of the Namibian tourism industry – a critical prerequisite of building a resilient nation post the destructive scourge of the global pandemic.

Our goals for the coming year include:

- o An audit to affirm the strength of our balance sheet and provide a strong foundation for management to pursue strategic objectives
- o Documenting a holistic risk control matrix in light of the continued dynamism of the risk portfolio at hand for the sector
- o Finalising the Bond Programme and engaging government on potential partnerships for informal land tenure and possible partnerships for maximising the potential of state-owned tourism assets

Our approach to risk management

2020 presented fundamental learning curves around traditional risk management. Stress testing and scenario analyses became essential supplements to standard practices. They assisted in anticipating unlikely risks' impacts and better informing risk assessment, negotiation mitigation and/or transfer and expectations if these measures failed. They also provided the quantifiable results for qualified risk statements to lay out a plan to address particular scenarios as they unfolded. Scenarios were regularly re-evaluated to reflect on what did and did not go according to plan, and to improve our risk management muscle.

Therefore, Gondwana's risk management approach began transitioning from rigid rules-based methodologies to a more flexible, real-time, risk-based approach, which requires the integration of strategy, resilience and risk management. The company's risk management framework, methodologies and systems will be aligned to guide us into the new future, with more emerging risk analyses soon to be amplified by simulated stress testing as a rule, always accounting for risks and opportunities.

Strategy, risk management and business continuity enjoy key focus status and are integrated into our approach to risk management. All of this is underpinned by a sound approach to corporate governance in accordance with King IV.

The short-term insurance claim with our insurer was a key focus for management. If successful, the payout would put Gondwana on a very different trajectory in comparison to peers, both local and regional. The committee urged management to ensure that the intangible assets on the balance sheet were sound, specifically goodwill, as any potential impairment would possibly have an impact on profitability. Establishing a robust risk control matrix was a key goal for management and the committee.

Risk management focus in 2020

In the wake of the pandemic, tourism was brought to an abrupt halt as planes were grounded. Given that local tourism made up a small portion of the industry, there was immense pressure on revenue. Because the pandemic muted domestic economic activity, government had a limited ability to deploy stimulus packages, with the final amount hovering slightly above 4% of GDP, in comparison to more developed nations whose packages were closer to 10%. This limited debtors' ability to meet their obligations to Gondwana, and some suppliers had to limit their output and delivery capabilities as well.

The committee also focused on the appropriate accounting treatment of leaseholds and their possible impact on the statement of comprehensive income, goodwill and profitability as a whole, following the adoption of IFRS 16. The committee will continue paying close attention to the matter, and Gondwana will engage government on the possibility of amending legislation to unlock the economic potential of communal land.

Government lockdowns were unpredictable and could not be prepared for well in advance. Cost reductions and pursuing insurance cover became the primary methods to mitigate losses.

All this accentuated our risk profile, as multiple high-level risks materialised simultaneously. We needed to reduce our operational footprint and remain nimble enough to take advantage of strategic or operational opportunities that arose from an unpredictable situation. We hired a CIO to bolster our strength in terms of IT-related risks and opportunities.

Committee overview

The audit, risk and opportunity committee (the committee) reviews Gondwana's external environment to ensure the TLC adequately manages risks and implements strategies that take advantage of opportunities.

Reviewing and updating our risk register is a standing agenda item at committee meetings. Gondwana's risks, as identified in our risk register, are ranked according to potential impact and grouped categories. These risks are managed to reduce the likelihood of occurrence and to lessen their potential impact.

The committee was chaired by James Mnyupe and attended by external expert, Marlene Hailwax, an independent regulatory compliance consultant with specialised experience of compliance in the banking industry.

Our top risks

low medium high

Risk	Cause	Mitigation
Financial risk		
Cash flow and financial shortages	Insufficient funds to run operations.	Cash flow planning and budget control.
Seasonal risk	Seasonal revenue generation concentrated between July to November.	<ul style="list-style-type: none"> Through sales and marketing, Gondwana should diversify into different markets with different travelling seasons throughout the year Proper budgeting and cash flow management for low season
Market and occupancy risk		
Airlines	<ul style="list-style-type: none"> High dependence on the dependability and frequency of direct flights Capacity constraints Limited access for growth in tourism 	<ul style="list-style-type: none"> Market diversification and new markets will lead to more airport arrivals Ongoing monitoring Training and awareness for officials and point of entry at airports Investigate other options/airlines
Recessions	<ul style="list-style-type: none"> Covid-19's impact on economies International travellers' spending impacted Uncertainty over cost of post lockdown travelling for international travellers 	Internal cost management and saving measures have been implemented.
Visa and other entry requirements	<ul style="list-style-type: none"> The Namibian visa application process is too cumbersome for some international markets Few countries have visa-free access to Namibia Uncertainty of post-Covid-19 border entry protocols 	<ul style="list-style-type: none"> Raise awareness with policy makers and relevant ministries Training and awareness for officials and point of entry at airports
Compliance and legislative risk		
Conservancy agreements	Multiple differing legislative requirements regulating operations in a single conservancy area.	<ul style="list-style-type: none"> Gondwana controls the leasehold properties Gondwana will continue to generate future income on these properties The value of the properties is not declining since Gondwana maintains the buildings regularly to keep up with industry standards The conservancies will continue reaping benefits from these operations The leasehold agreements also state that Gondwana will occupy on a renewable basis After IFRS 16 changes, we will obtain a new audit opinion to determine the effect on the balance sheet Legal agreements
Regulatory risk - outbreak of disease globally or locally resulting in regulatory	Covid-19 caused travel restrictions and border closures which prevent our largest market base from accessing our products. Tourists are hesitant to make bookings over fears of being quarantined in a foreign country if they contract the virus.	<ul style="list-style-type: none"> Transparent information on Covid-19 cases in Namibia (the risk in travelling the country) circulated to all booking agencies and direct bookings Losses due to Covid-19 were covered by our business interruption insurance Detailed records of cancellations and proof of prepayments
Environmental risk		
Drought	Drought or fires on our properties could create a lack of grazing land and increase mortality in wildlife or livestock.	<ul style="list-style-type: none"> Park management plan Hunting licences to control wildlife numbers Securing livestock and wildlife for own butchery use

Our approach to IT

We are wary of encumbering ourselves with policies while we navigate the standard dynamics of a growing organisation. Each policy needs to be mindfully created to be relevant and enforceable.

We are developing policies to establish minimum structures to satisfy the Board and auditors.

Our IT risks have been properly profiled and mitigated. We have well-fleshed-out definitions of data protection, security and redundancy. Our committee includes compliance officers, some of whom are senior IT Team members, and we are developing all the necessary structures to be prepared for a possible listing.

We assess our IT management's effectiveness by monitoring server downtime, website availability, access points and infrastructure. In 2018 we obtained an audit report from BDO to begin confirming the efficacy and secureness of our risk profiling. In the year, EY performed a systems-driven integrated audit of the INNkeeper system in all departments, as per IFRS and other standard audit requirements.

The Board is kept informed of any disruptions or challenges in IT, and is satisfied that we take the necessary precautions in securing our data and maintaining systems or restoring them should they go down. We maintain a working document to ensure we look at all aspects of every department at risk in terms of IT.

IT risks are mitigated by limiting access to our systems in a controlled manner. We are putting infrastructure in place to better manage our data.

Our IT governance drive in 2021 will include more effort into IT risk profiling and measures to restore IT systems.

Summarised annual FINANCIAL STATEMENTS



Group statement of financial position

as at 31 October 2020

	2020 N\$'000	2019 N\$'000
Assets		
Non-current assets		
Property, plant and equipment	811 686	746 455
Right-of-use asset	11 465	-
Intangible assets	27 153	27 879
Goodwill	24 049	24 049
Other financial assets	1	1
Investment in joint venture	6 979	-
Deferred tax asset	33 411	701
	914 744	799 085
Current assets		
Loans to related parties	762	762
Current tax receivable	2 504	6 196
Inventories	15 603	17 026
Biological assets	226	312
Trade and other receivables	18 824	45 452
Cash and cash equivalents	6 563	16 951
	44 482	86 699
Total assets	959 226	885 784
Equity and liabilities		
Capital and reserves		
Share capital	66	66
Share premium	132 301	132 301
Revaluation reserve	200 934	171 354
Shareholders' reserve	17 365	17 365
Retained earnings	117 273	210 616
	467 939	531 702
Non-current liabilities		
Deferred tax liability	40 736	52 083
Interest-bearing liabilities – secured	312 682	176 744
Interest-bearing liabilities – unsecured	514	354
Lease liabilities	11 369	-
	365 301	229 181
Current liabilities		
Bank overdrafts	56 756	353
Short-term portion of interest-bearing liabilities – secured	23 003	41 738
Short-term portion of interest-bearing liabilities – unsecured	433	795
Short-term portion of lease liabilities	545	-
Current tax payable	696	6 942
Trade and other payables	43 647	73 347
Dividend payable	906	1 726
	125 986	124 901
Total equity and liabilities	959 226	885 784

Group statement of profit or loss and other comprehensive income

for the year ended 31 October 2020

	2020 N\$'000	2019 N\$'000
Revenue	153 466	446 388
Cost of sales	(48 297)	(126 159)
Gross profit	105 169	320 229
Other operating income	9 614	5 868
Operating expenses	(226 525)	(231 632)
Movement in credit loss allowance	(666)	-
Operating (loss)/profit	(112 408)	94 465
Investment income	208	2 495
Finance income	66	322
Finance costs	(25 154)	(21 130)
Share of profit of joint venture	229	-
(Loss)/profit before taxation	(137 060)	76 152
Taxation	43 664	(23 793)
(Loss)/profit for the year	(93 396)	52 359
Other comprehensive income	29 632	-
Total comprehensive (loss)/income	(63 764)	52 359
Total comprehensive (loss)/income attributable to:		
Owners of parent	(63 764)	52 359
Non-controlling interest	-	-
Consolidated earnings per share		
Basic earnings per share (cents)		
Continuing operations	(140.75)	78.91

A wide-angle photograph of two elephants splashing in a river during sunset. The elephants are silhouetted against the bright, golden light of the setting sun. The water is splashing around them, and the background shows a savanna landscape with tall grass and scattered trees.

The Gondwana COLLECTION

IBC About this report

The Gondwana logo

The essence of our brand is: have a story to tell. With passion and sincerity, we bring Namibia's stories to life. Our customers become part of this story, take it home and retell the story there.

Storytelling is incorporated in our logo. The hand symbolises the handshake we greet our customers with, individuality (every hand has its own story), a helping hand, cohesion and warm heartedness. The individual stones in the hand show Africa as part of the former supercontinent of Gondwana. They also represent the various Gondwana lodges and the different cultures and customers from across the world, with their common roots in the ancient continent of Gondwana.



GONDWANA COLLECTION NAMIBIA

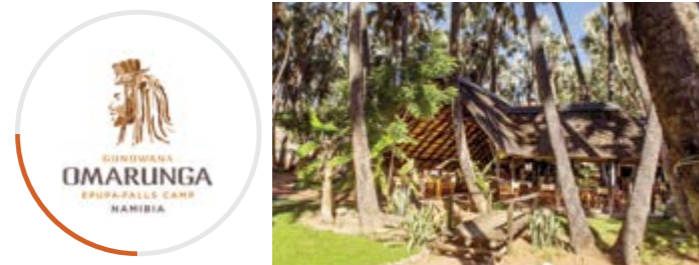
Each lodge has its own brand essence and logo, all of which incorporate the stones and Africa map.

- Secret Collection
- Premium Collection
- Value Collection
- Experience Collection
- Adventure

★ Star rating
Ratings are based on guest reviews.

KAOKOLAND EXPERIENCE

Omarunga Epupa-Falls Camp



This Kaokoland refuge is 180km north of Opuwo, where the Kunene River plunges into the gorge below. Situated upstream from the falls, the thatched lodge is set on the riverbank under the palms. Guests can birdwatch, take a guided walk in search of crocodiles, join a rafting excursion, visit a Himba village or take a sunset drive to a hill above the falls. Guests dine overlooking the river and wake to the sound of the falls.



Omarunga Epupa-Falls Campsite



At these relaxed and rustic campsites, under makalani palms on the banks of the Kunene, guests are greeted by local Himba people dressed in traditional attire. They pitch their tents beside the river and are free to partake in all Omarunga Epupa-Falls Camp activities.



OKAVANGO EXPERIENCE

Hakusembe River Lodge



An enchanted destination in the Kavango, Hakusembe is a convenient place to pause and rest en-route to the Zambezi and the rushing waters of the Victoria Falls. It is perfectly positioned on the southern bank of the Okavango River situated 16km from the bustle of Rundu. Here guests can absorb the peace in a verdant garden or on a floating deck. They can cool off in the pool, try their luck at catching tiger fish, take a stroll to the Mbunza cultural village or hop aboard the Hakusembe River Queen for a magical sunset on the river.



Hakusembe Campsite



This campsite offers four private oases nestled in the vegetation close to the riverbank. Each of the sites has its own bathroom facilities. It is a short stroll to the Hakusembe River Lodge facilities.



ETOSHA EXPERIENCE

Etosha King Nehale



Gondwana's newest lodge is in the King Nehale Conservancy on the northern border of Etosha National Park. The conservancy is surrounded by the communal areas of the Oshikoto, Oshana, Ohangwena and Omusati regions. The lodge pays homage to the cultural heritage of the area. Guests can self-drive in the rarely frequented northern part of the park or explore on a guided game drive, and visit the lodge's exclusive hide inside the Etosha park. They can also experience the cultural vibrancy around the conservancy, or simply relax, swim and enjoy quality food and wine.



Etosha Safari Lodge



This stylish lodge overlooks an expanse of mopane woodland. Space is an attractive element at Etosha Safari Lodge and to enhance the experience the lodge is undergoing a revamp. We started towards the end of 2019 and due to Covid-19 had to postpone into 2021. Enjoy the lavish view, spacious deck and dining area, and airy rooms with private verandas. Guests enter the park at Andersson's Gate, only 10km away, for remarkable game viewing. They return to the lodge to relax and dine under the stars on the outside veranda by a blazing fire.



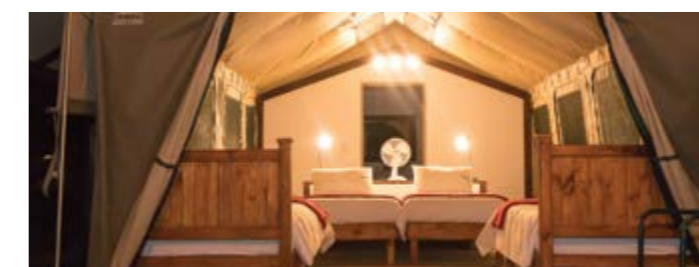
Etosha Safari Camp



This safari camp's accommodation is set between the mopane trees, a short drive from Andersson's Gate. The Okambashu (Our home) restaurant and Oshebeena bar are themed after the informal bars or shebeens, well known and beloved throughout southern Africa. Guests dine accompanied by The Etosha Boys' local songs.



Etosha Safari Camping2Go



These self-catering tents include beds, bathrooms, fully equipped kitchens, and verandas with grills and firepits. They are close to Etosha Safari Camp, so guests can enjoy the camp's bar and restaurant and other camp activities, including the pool.



Etosha Safari Campsite



These campsites, on a green lawn under mopane trees, are an oasis from the arid surrounds. Guests can also enjoy all facilities offered at Etosha Safari Camp.



ZAMBEZI EXPERIENCE

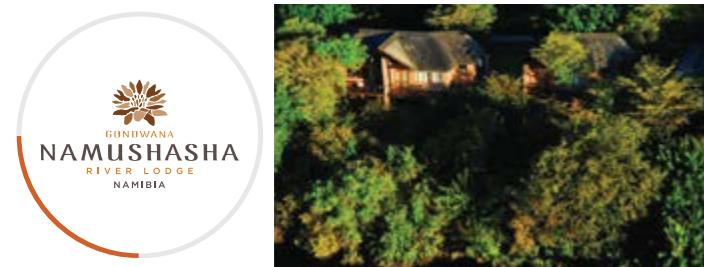
Namushasha River Villa



Anchored in a channel of the Kwando River, the River Villa offers guests an opportunity to experience the Bwabwata National Park in a private and intimate setting. It sleeps two people and is ideal for a couple's retreat. Guests have radio access to Namushasha River Lodge. This experience includes private game drives and meals.



Namushasha River Lodge



Namushasha River Lodge is African in design. The central entrance boasts a wooden chandelier and carved animals and leads guests into the lodge between the trees. The dining room, with its high thatched roof, is open to the river, where guests can see elephant, hippo and a myriad bird species. Guests can visit the traditional heritage centre, join river cruises that explore the channels for diverse bird life or take a trip to the Bwabwata National Park.



Namushasha River Camping2Go



At the four Namushasha River Camping2Go tents, independent guests enjoy a rustic camping experience with many amenities and without the hassle of packing and unpacking camping equipment. Each tent has four beds, a bathroom, a fully equipped kitchen, outside braai and firepit. Campers can use the facilities at the nearby Namushasha River Lodge and book an activity or a meal at the restaurant.



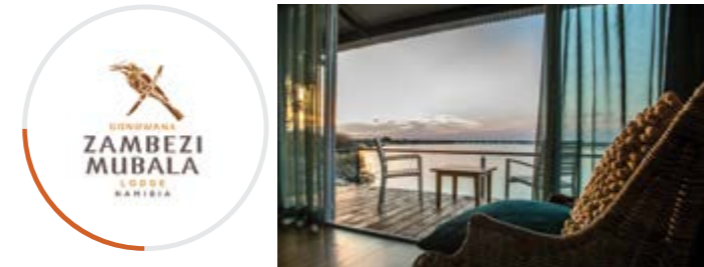
Namushasha Campsite



This campsite is set on a grassy bank under large trees next to the river, lined with reeds and water lilies. Campers are welcome to enjoy the Namushasha River Lodge swimming pool and restaurant.



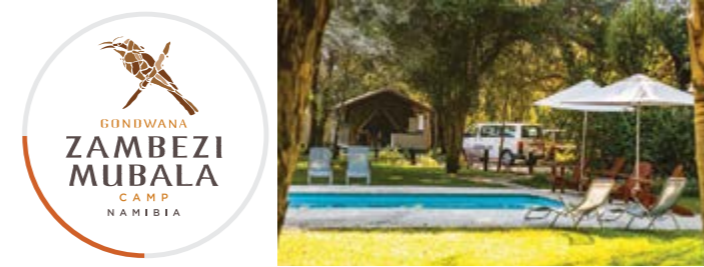
Zambezi Mubala Lodge



Modern, innovative and stylish, Zambezi Mubala is a river hideaway. Guests leave their cars at Zambezi Mubala Camp to cruise downriver to the lodge. They can relax in comfortable bungalows with king-size beds and balconies. The catch-and-release of tiger fish and birdwatching are popular activities. The lodge is home to over 450 species of birds and hosts the springtime visit of one of the largest colonies of carmine bee-eaters in Africa.



Zambezi Mubala Camp



40 kilometres east of Katima Mulilo, eight safari tents are set on the water's edge in a grove of tall trees. Each tent sleeps four and has bathrooms. An easy base while exploring Namibia's lush north-eastern corner, Zambezi Mubala Camp is also a convenient stopover en-route to Chobe National Park and Victoria Falls.



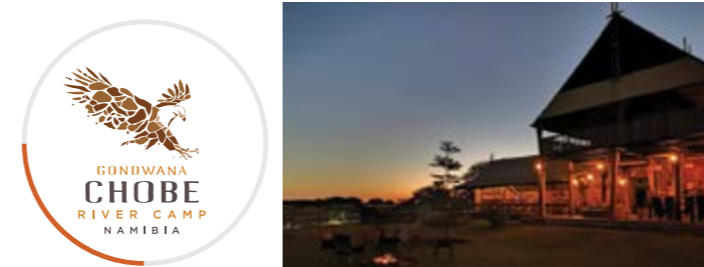
Zambezi Mubala Campsite



Traditional campers can pitch their tents under the trees at one of 10 sites, each with its own private facilities.



Chobe River Camp



On the banks of the Chobe River, the lodge was inspired by the natural beauty of the landscape and the chalets were constructed using indigenous mopane timber and canvas. The camp is a wildlife and birder's dream just across the river from the world-renowned Chobe Nature Reserve.



Chobe River Campsite



These six campsites, just four kilometres from the Ngoma border post, are a private refuge with stunning views of the Chobe River and abundant animal and bird life.



DAMARALAND EXPERIENCE

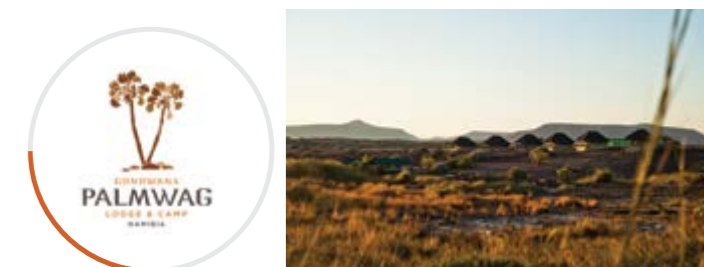
Damara Mopane Lodge



The lodge is constructed in a semi-circle of inter-linking pathways leading to a swimming pool at its centre. Innovatively designed, each chalet has its own small vegetable garden. Here, our guests experience a slow rhythm of life. They can enjoy the gardens and pool, hikes or sundowner walks. They appreciate the sweeping vista of mopane woodland from our viewing platform. After sunset, guests enjoy a fireside dinner with a selection of fresh vegetables and herbs.



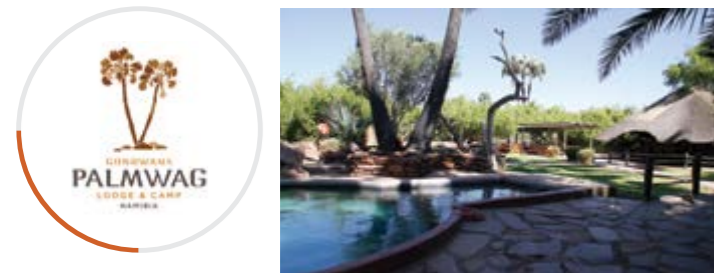
Palmwag Lodge



Palmwag Lodge is en-route from the coast and Etosha to Epupa-Falls and Kaokoland. Lodge guests can join a guided hike, a sleep-out or a sundowner drive in the 582 000 hectare Palmwag Concession, a vast conservation area with abundant wildlife.



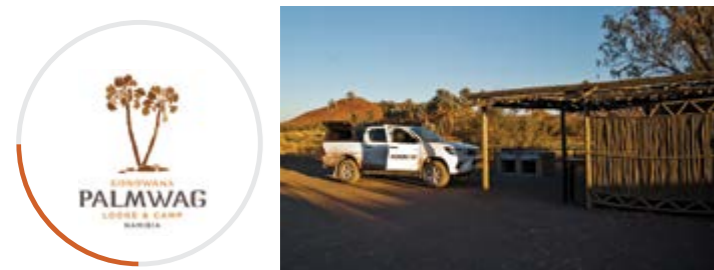
Palmwag Campsite



This peaceful campsite comprises 13 spacious sites, each with its own power point, light, wash basin and fireplace. Elephants, drawn by the water in the river, are known to venture through the campsite at night.



Palmwag Camping2Go



Palmwag Camping2Go offers eight permanent tents, each with four beds and an en-suite bathroom that includes a shower. It has a fully equipped kitchen, an outside braai as well as a firepit, to gather around and savour the spectacular Namibian night sky in its entire splendour.

The amenities at Palmwag Lodge are also available to campers. Activities include rhino tracking, Damaraland wildlife excursions as well as an exquisite under-canvas sleep-out for the intrepid.



KALAHARI EXPERIENCE

Kalahari Anib Lodge



30 kilometres from Mariental, this Kalahari lodge is a good overnight stop between Windhoek and the south of the Kgalagadi Transfrontier Park. Guests can hike the trails around the lodge in the Gondwana Kalahari Park, take an e-bike tour viewing springbok, zebra and wildebeest, or take a sunset drive and sit by a campfire below the southern night sky.



Kalahari Anib Campsite



Kalahari Anib's three private campsites are surrounded by African savannah. With springbok grazing nearby, guests can put their feet up and enjoy a heaven of stars.



Kalahari Farmhouse



Entering the Kalahari Farmhouse is like stepping into an oasis in the desert. The ample water supply allows the garden to be kept lush and provides irrigation to Gondwana's SSC to grow produce for our lodges around the country.



Kalahari Anib Camping2Go



Four permanent tents are equipped with four beds, a bathroom and full kitchen. This is a hassle-free way for guests to be immersed in nature. Campers can use the facilities at Kalahari Anib Lodge.



Kalahari Farmhouse Campsite



Kalahari Farmhouse Campsite is set in a grove of palm trees at the Kalahari Farmhouse on the outskirts of Stampriet.



SWAKOPMUND EXPERIENCE

The Delight Swakopmund



This hotel is conveniently located within short walking distance of the 'Mole'. Guests can take a trip into the Living Desert, skydive over the Namib, sandboard, join a dolphin cruise, kayak between the seals, give deep sea fishing a try or take a leisurely walk along the beach. They can dine in restaurants along the seaside promenade, amble through old-fashioned streets and browse curio shops, visit the town museum or the National Marine Aquarium, or climb to the top of Woermann Haus for a prime view of the town. Delight hosts will arrange for anything from activity bookings to dinner reservations.



NAMIB EXPERIENCE

Namib Desert Camping2Go



Eight permanent tents located close to the Namib Desert Lodge at the foot of the fascinating fossilised dunes. They are fully equipped with four beds, a bathroom and full kitchen. There is a firepit guests can place in the nearby riverbed to fully enjoy nature. Campers can use the facilities at Namib Desert Lodge.



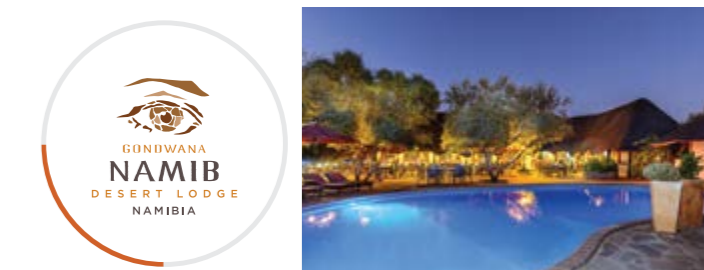
Namib Desert Campsite



The space and silence of the Namib Desert are the highlights of this simple campsite set under acacia trees near the Namib Desert Lodge.



Namib Desert Lodge



Namib Desert Lodge lies at the foot of ancient fossilised dunes, 60km from Sesriem, near Sossusvlei. Guests can enjoy a guided sunset or early morning drive through the red dunes, cool off at the pool, watch oryx at a waterhole and walk or cycle on trails into the dunes.



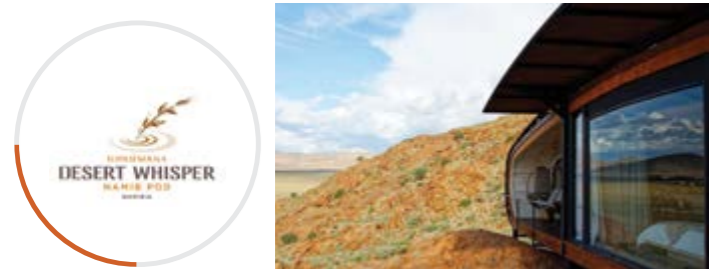
Namib Dune Star Camp



Situated on the crest of ancient sand dunes overlooking the spectacular landscape of the Namib Desert, the camp offers the thrill of being out in the desert yet provides luxuries like soft beds and hot showers. Each of the cabins has a bathroom, a large bedroom and a spacious deck. The rooms have a double bed designed to be wheeled out for a night under the southern skies.



Desert Whisper



Creatively constructed with sublime desert views, Desert Whisper is a luxurious retreat for two. Inspired by nature, this private hideaway has an open-plan lounge and dining area with a well-stocked bar, fully equipped kitchen, a bedroom and a bathroom. Guests can soak up the scenery on the terrace or take a dip in their personal plunge pool. Their own personal reception, dedicated host and scenic drive ensure exclusivity, and meals are prearranged to suit their dietary preferences.



The Desert Grace



Situated in one of the oldest deserts in the world, this premium lodge has the elegance of yesteryear and a stylish interior. Guests enjoy the desert scenery from one of 24 bungalows, each with its own plunge pool.



AUS MOUNTAIN EXPERIENCE

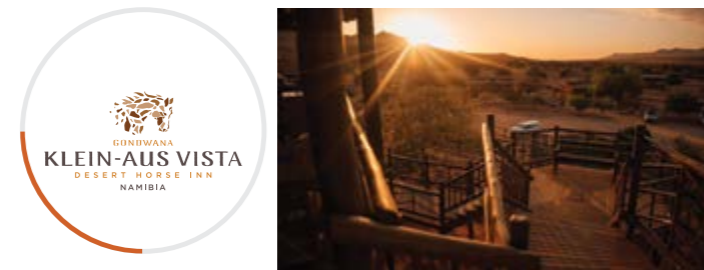
Eagle's Nest Chalets



Eagle's Nest Chalets are private, self-catering retreats, built into rounded granite boulders with a granite-gneiss mountain as a backdrop and expansive views.



Desert Horse Inn



Attractive, airy rooms are built in the style of a late century farmhouse. Guests can explore numerous mountain bike and walking trails skirting the rocky hills and discover World War One ramparts, like an old Hudson motorcar riddled with bullet holes, and viewpoints with extraordinary vistas. They can visit the wild horses at the Garub waterhole, 20km to the west, and the old diamond mining town of Kolmanskop 100km on.



Geisterschlucht Cabin



This simple but exclusive cabin set in a secluded valley consists of two family rooms sharing a bathroom, kitchen and lounge area. Two hiking trails run through the picturesque valley.



Klein-Aus Vista Campsite



Resting in an amphitheatre of rock, the campsite is a hideaway under giant camelthorn trees adorned with sociable weaver nests. Guests can use the facilities at the Desert Horse Inn.



FISH RIVER CANYON EXPERIENCE

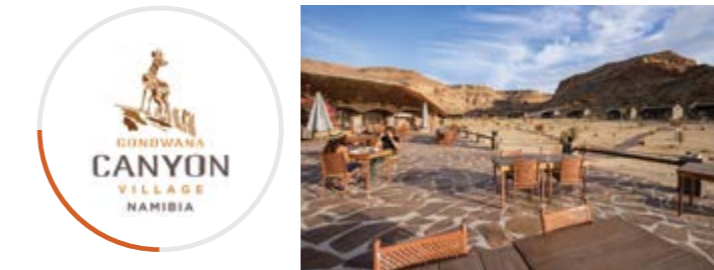
Canyon Lodge



Nestled between granite boulders, Canyon Lodge looks out on the expanse of the Gondwana Canyon Park. Guests can take a guided drive to the canyon, follow a 4x4 route to view the plain's animals, watch the sun rise among quiver trees, or enjoy the sunset either from the adjacent koppie or on a sunset drive. A unique, once-in-a-life time experience is hiking through the canyon trail, overnighting in specially chosen camps.



Canyon Village



Stone and thatch chalets are positioned in a horseshoe design around a thatched central area with a restaurant, bar and lounge, and reception. A cart drawn by a team of mules conveys luggage to the chalets. Nama employees take pride in wearing their traditional patchwork clothing and the history of southern Namibia is depicted in murals on the restaurant walls.



Canyon Roadhouse



This out-of-the-ordinary lodge resembles a roadhouse of old. It is surrounded by rusty Chevys and Fords from a bygone era and the interior boasts a filling station as a bar and an assortment of classic cars and transport paraphernalia. Large rooms make the Roadhouse a comfortable and convenient base when visiting the Fish River Canyon, just 14km away.



Canyon Klipspringer Camps



These rustic self-catering camps are set in the northern reaches of the Fish River Canyon. Each camp has cabins with communal bathrooms, a central dining area and kitchen, and a fire pit.

- The camps consist of the:
- o Klipspringer Base Camp
 - o Battlesnake Camp
 - o Koelkrans Camp
 - o Horseshoe Camp

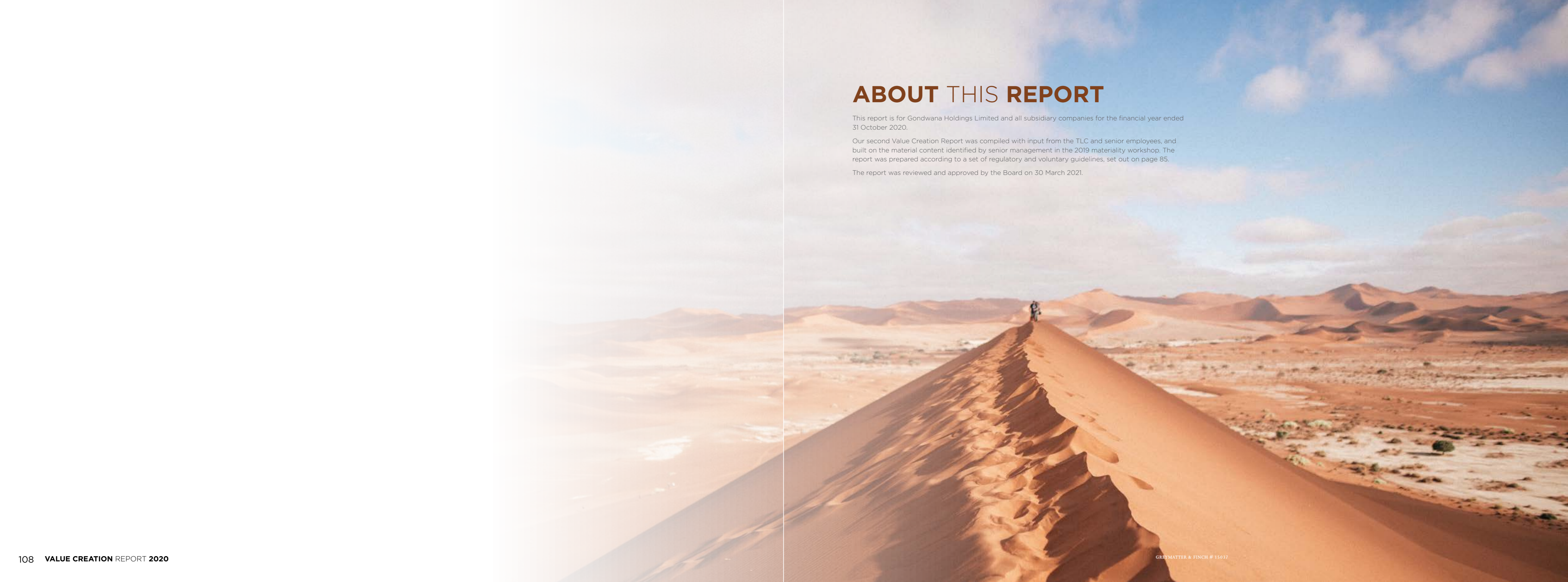


Canyon Roadhouse Campsite



Tucked behind Canyon Roadhouse, Canyon Roadhouse Campsite offers shady camping on the bank of a dry riverbed, against a backdrop of rocky hills.





ABOUT THIS REPORT

This report is for Gondwana Holdings Limited and all subsidiary companies for the financial year ended 31 October 2020.

Our second Value Creation Report was compiled with input from the TLC and senior employees, and built on the material content identified by senior management in the 2019 materiality workshop. The report was prepared according to a set of regulatory and voluntary guidelines, set out on page 85.

The report was reviewed and approved by the Board on 30 March 2021.



GONDWANA
COLLECTION
NAMIBIA



42 Nelson Mandela Avenue
Windhoek
Namibia
PO Box 80205
Windhoek
Namibia

Tel: +264 (0)61 427200
info@gondwana-collection.com

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