

City Lodge Hotels Limited
"City Lodge" or the "Group"
(Reg. No. 1986/002864/06)
(Incorporated in the Republic of South Africa)
Share Code: CLH ISIN Code: ZAE000117792

VOLUNTARY OPERATIONAL UPDATE

The lifting of the National State of Disaster in April 2022 has further facilitated positive travel trends with businesses and individuals returning to travelling, meeting and experiencing life while nurturing relationships which had suffered during the prolonged period of lockdown.

Over the last few months, Group occupancies have been bolstered by the return of international flights to almost pre-Covid levels, corporations returning to offices with an emphasis on building relationships and strategic planning. In addition, domestic leisure travel continues to flourish, boosted by our enhanced food and beverage offering across all brands, which has resulted in an almost 200% increase in food and beverage revenue compared to the prior year. Occupancies for the Group for the financial year to date of 56.5% have realised steady month on month improvements, even exceeding 2019 levels in certain months. Monthly occupancies for the Group have grown from 52% in July 2022 to 60% for November 2022 to date. The outlook for December 2022 occupancies looks positive and we forecast to exceed 2019 levels based on current demand and interest from our "Don't skimp on your summer" specials, advertising campaign.

The increased occupancies have resulted in better yielding with achieved room rates for the financial year to date up by 9.5% on the prior year comparative period and around the same as 2019 levels.

The Group continues to generate positive cash flows, with a positive bank balance of R226 million as at 27 November 2022. The planned capital reinvestment in the portfolio is currently underway with the fit-out and availability of the remaining floors at Courtyard Hotel Waterfall City due for completion in early December 2022 and the refurbishment of City Lodge Hotel V&A Waterfront scheduled to commence in April 2023. The Group's current

debt position is R300 million, with access to a further R415 million in debt and overdraft facilities.

Despite demand being slightly dampened by ongoing loadshedding, high inflation and interest rates, and their impact on the economy and disposable income, the outlook continues to look positive as life returns to normal and businesses and individuals embrace the freedom to take every opportunity to travel.

The information contained in this voluntary operational update has not been reviewed or reported on by the Group's auditors.

Bryanston
28 November 2022

Sponsor
Nedbank Corporate and Investment Banking, a division of Nedbank Limited.