

40  years of building  
better stays



**CITY LODGE  
HOTELS**

**Annual Financial Statements**  
for the year ended 30 June 2025

# Highlights

Revenue  
**R2.0bn**  
up 3%  
2024: R1.9bn

Group occupancy  
**56%**  
down 2% points  
2024: 58%

Adjusted EBITDAR  
**R589m**  
up 0.4%  
2024: R586m

Profit for the year  
**R213m**  
up 13%  
2024: R189m

Earnings per share (diluted)  
**38.3c**  
up 15%  
2024: 33.2c

Headline earnings per share (diluted)  
**33.1c**  
2024: 33.2c

Adjusted headline earnings per share (diluted)  
**34.6c**  
up 9%  
2024: 31.8c

Return on equity  
**17.5%**  
up 1% point  
2024: 16.5%

Dividends  
Final: **9c** 2024: 9c  
Interim: **6c** 2024: 6c



  
COURTYARD  
HOTEL



  
CITY LODGE  
HOTEL



  
TOWN LODGE  
BY CITY LODGE HOTELS



  
ROAD LODGE  
BY CITY LODGE HOTELS

**40**  years of building  
better stays

# Commentary



## Reinvesting in growth and the guest experience

As City Lodge Hotels celebrates its 40th year, the focus has been on sustainable investment in our well-equipped portfolio of hotels with 30% of the rooms either newly constructed or refurbished within the last 8 years. In the year, we have invested in six newly renovated and modernised hotels, including the commercial areas at two of our hotels, which has helped to drive strong, above inflation, room rate growth of 7%.

City Lodge Hotels has navigated the complex, shifting international and local economic pressures and delivered a stable performance during the year. The group has invested in eight new strategic refurbishments, a refreshed website, returned value to shareholders by repurchasing R30 million of our shares, declaring steady dividends, and remains debt-free and ready to capitalise on growth opportunities in key strategic locations.

However, global geo-political tensions, uncertainty of trade tariffs and international relations with the US, and reduced NGO funding have disrupted international travel patterns, and investor interest in South Africa.

Whilst there are encouraging shoots for growth in the South African economy from interest rate cuts, low inflation and a more stable electricity supply, the political noise of the Government of National Unity (GNU) continues to curb economic prospects. Business and investor confidence ebbed and flowed to the rollercoaster of GNU sustainability concerns, and the unprecedented political challenges.

Regionally, our hotels in the Western Cape, Free State and Gauteng have experienced above average growth in revenue. Refurbishments at four of our hotels in the Western Cape were completed which has enabled strong growth in room rates. KwaZulu Natal occupancies have remained subdued, but has seen some positive movement in the last few months. The delivery of the refurbished City Lodge Hotel (CL) Umhlanga Ridge has been well-received and has already experienced good rate growth due to the refreshed product.

### FINANCIAL REVIEW

The geo-political uncertainty dampened occupancy during the year, which was down by two percentage points to 56% (2024: 58%). The group had 48 748 (2024: 33 353) room nights (2% of total room night inventory) out of inventory during the year due to refurbishments at eight hotels. This partial recovery in occupancy follows the 4% point decrease in the first six months, and was further mitigated by average room rate increases of 7% (2024: 9%) for the year, resulting in growth in rooms revenue of 2%. Total revenue for the year ended 30 June 2025 increased by 3% to R2.0 billion (2024: R1.9 billion). Our food and beverage (F&B) offer has now established itself in all brands over the last two years. Growth has stabilised but continues to show good prospects

for further improvement, delivering an increase of 8% to R393.2 million (2024: R363.3 million), and now accounting for 20% (2024: 19%) of total revenue.

Cost containment has been a key focal point over the year, with total operating costs increasing by only 4%.

Salaries and wages increased by 6% to R588.5 million (2024: R553.3 million) which was in-line with the annual salary increase. Property costs increased by 13.1% to R181.6 million due to higher utility costs, but marginally offset by lower diesel consumption for generators. The group has solar panels installed at 41 of its hotels.

Rooms related costs and F&B costs are largely variable in nature. The lower occupancies resulted in a 10% decrease in room related costs of R204.3 million (2024: R226.2 million). F&B gross profit margins have improved to 62% from 60% in the prior year, resulting in volume variable F&B costs increasing by only 3% to R150.7 million (2024: R146.2 million).

The group generated EBITDAR of R641.5 million (2024: R574.4 million) for the year, and an EBITDAR margin of 32.1% (2024: 29.8%). Adjusted EBITDAR margin which excludes unrealised losses on foreign exchange, the sale of CL Katherine Street and the derecognition of the lease liability on the purchase of the CL Fourways land, was 29.5% (2024: 30.4%).

Depreciation for the year of R180.3 million (2024: R171.3 million) includes depreciation of capitalised leases. The 5% increase relates to capital expenditure incurred on refurbishments.

Lease related expenses (i.e. depreciation on right-of-use assets of R92.4 million and interest expense on leases of R128.8 million) exceed cash lease payments of R175.6 million by R45.6 million.

Taxation amounting to R98.4 million (2024: R65.8 million) increased by 50%. Taxation includes R9.6 million of capital gains tax on the sale of CL Katherine Street, and a R13.5 million impairment of the deferred tax asset in Namibia due to changes in the tax legislation relating to the treatment of assessed losses.

Profit after tax of R213.0 million (2024: R188.7 million) increased by 12.9%, and diluted earnings per share increased by 15.4% to 38.3 cents (2024: 33.2 cents).

# Commentary continued

Diluted headline earnings per share remained fairly flat at 33.1 cents (2024: 33.2 cents), whilst adjusted diluted headline earnings per share, excluding unrealised losses on foreign exchange and exceptional items (the derecognition of the lease liability on the purchase of CL Fourways land and the impairment of the deferred tax asset in Namibia) has increased by 9% to 34.6 cents (2024: 31.8 cents).

Adjusted diluted headline earnings per share recovered in the second half of the year delivering a 26% increase compared to the second half of 2024.

## STRATEGIC UPDATE

The group has refinanced its interest-bearing borrowings on more favourable commercial terms and retains access to R600 million in debt facilities which mature between three and five years. The group also has access to R115 million overdraft facilities, and is debt-free as at 30 June 2025.

We have actively managed our cash generated by operations of R548.6 million (2024: R576.7 million) by strengthening the balance sheet, returning capital to shareholders, repurchasing and cancelling R30 million of our shares at an average price of R3.92 per share and completing eight refurbishments.

The strategic focus for the year has been the modernisation and refurbishment of eight hotels, and delivering the new brand standard for the next generation hotels. These projects included CL Lynnwood, Town Lodge (TL) Bellville, Road Lodge (RL) N1 City, RL Durban, TL George and CL Umhlanga Ridge, as well as the commercial areas at Courtyard Hotel (CY) Sandton and CL V&A Waterfront. Two additional floors were completed at CL Maputo adding an additional 54 rooms into inventory, and the remaining floor with 26 rooms is scheduled for completion in Q1 FY26. The group spent R282.9 million (2024: R164.9 million) on capital expenditure during the year. The delays to planned capital projects in 2025 were mainly due to long lead times for Council approvals, and supply chain lead times. Major refurbishments at CL Johannesburg Airport and CY Gqeberha are currently in progress.

The group has achieved its best ever B-BBEE scorecard rating of a level 1 during the year, due to enhanced investment and support to developing small black owned enterprises through the SATSA Incubator program and educational initiatives to develop and provide experience to young learners.

## OUTLOOK

The economic outlook has improved for FY26, as the GNU's sustainability, although having been tested over the last 12 months, prevailed. In addition, further interest rate cuts are expected. The upcoming G20 summit in November will deliver demand for hospitality services, and boost business confidence in the region.

Total capital commitments of R296.6 million have been authorised for the 2026 financial year. The funds will be applied to projects focused on deriving value through the refurbishment of a further five hotels. Further technology innovation and investment is planned.

Environmental sustainability and resilience solutions remain a priority, as we initiate Phase 3 of the solar installations, including the addition of more water sustainability solutions.

The group continues to seek and actively pursue selected opportunities for new hotels in high growth areas within South Africa.

The 2026 financial year has commenced positively with group occupancies for July and August 2025 each up four percentage points, to 60% and 59%, respectively (July 2024: 56% and August 2024: 55%). Similarly, month to date occupancies up to 10 September 2025 are up by four percentage points to 63% (2024: 59%). Food and beverage revenues are up 16% and 14% respectively, for July and August 2025. We are optimistic that these positive trends will continue.

## DECLARATION OF DIVIDEND

The board has approved and declared a final dividend (number 68) of 9.00 cents per ordinary share (gross) (2024: 9.00 cents) in respect of the year ended 30 June 2025.

The dividend will be subject to Dividend Tax. In accordance with paragraphs 11.17(a)(i) to (ix) and 11.17(c) of the JSE Listings Requirements the following additional information is disclosed:

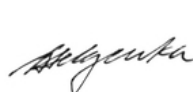
- the dividend has been declared out of distributable reserves;
- the local Dividend Tax rate is 20% (twenty per centum);
- the gross local dividend amount is 9.00 cents per ordinary share for shareholders exempt from the Dividend Tax;
- the net local dividend amount is 7.20 cents per ordinary share for shareholders liable to pay the Dividend Tax;
- the company currently has 590 517 532 ordinary shares in issue; and
- the company's income tax reference number is 9041001711.

Shareholders are advised of the following dates:

- Last date to trade cum dividend Tuesday, 30 September 2025
- Shares commence trading ex dividend Wednesday, 1 October 2025
- Record date Friday, 3 October 2025
- Payment of dividend Monday, 6 October 2025

Share certificates may not be dematerialised or rematerialised between Wednesday, 1 October 2025 and Friday, 3 October 2025, both days inclusive.

For and on behalf of the board



**Bulelani Ngcuka**  
Chairman

11 September 2025



**Andrew Widegger**  
Chief executive officer

**Directors:** B T Ngcuka (Chairman), A Widegger (Chief executive officer)\*, S J Enderle<sup>#</sup>, G G Huysamer, F W J Kilbourn (Deputy chairman), A R Lapping, M S P Marutlulle, M G Mokoka, D Nathoo\*, L G Siddo\* \*Executive <sup>#</sup>South African and Swiss

**Transfer secretaries:** Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196

**Company secretary:** M C van Heerden

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



# CITY LODGE HOTELS

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These annual financial statements were published on 11 September 2025, were audited in compliance with the requirements of the Companies Act, 71 of 2008, and prepared under the supervision of the Chief financial officer, Dhanisha Nathoo CA(SA).



# Directors' responsibility statement

for the year ended 30 June 2025

The company's directors are required by the Companies Act of South Africa, Act 71 of 2008 (Companies Act) to maintain adequate accounting records and to prepare financial statements for each financial year that fairly present the state of affairs of the group and company at the end of the financial year and of the results of operations and cash flows for the year. In preparing the accompanying consolidated and separate financial statements, IFRS® Accounting Standards and its interpretations adopted by the International Accounting Standards Board, the Listings Requirements of JSE Limited, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and the requirements of the Companies Act, 71 of 2008 of South Africa, as amended have been followed, suitable accounting policies have been used and applied consistently, and reasonable and prudent judgements and estimates have been made.

The consolidated and separate annual financial statements incorporate responsible disclosure. The directors accept responsibility for the preparation, integrity and fair presentation of the consolidated and separate annual financial statements. The directors are responsible for the establishment and adequate functioning of a system of governance, risk management and internal controls in the company. The directors are also responsible for the controls over, and the security of the company's website and where applicable, for the establishing and controlling the process for electronically distributing annual reports and other financial information to the company's shareholders and the Companies and Intellectual Property Commission. Consequently, the directors have implemented a broad range of processes and procedures designed to provide control by the directors over the company's operations.

The directors have reviewed the group and company budgets and cash flow forecasts for the year to 30 June 2026. On the basis of this review, and in light of the current financial position, improved operational performance, liquidity and existing borrowing facilities, the directors are satisfied that the group and company are going concerns and they have accordingly adopted the going-concern basis in preparing the consolidated and separate financial statements. The group's independent auditor, PricewaterhouseCoopers Inc., have audited the consolidated and separate financial statements and their unqualified report appears on pages 9 to 13.

PricewaterhouseCoopers Inc. was given unrestricted access to all financial records and related data, including minutes of all meetings of shareholders, the board of directors of City Lodge Hotels Limited (the board) and committees of the board. The directors believe that all representations made to the independent auditor during their audit are valid and appropriate.

The board recognises and acknowledges its responsibility for the group's systems of internal financial control. The group adheres to a code of conduct, which covers ethical behaviour and compliance with legislation. The control systems include written accounting and control policies and procedures, clearly defined lines of accountability and delegation of authority, and comprehensive financial reporting and analysis against approved budgets. The responsibility for operating these systems is delegated by the directors who confirm that they have reviewed the effectiveness thereof. The directors consider that the systems are appropriately designed to provide reasonable, but not absolute, assurance that assets are safeguarded against material loss or unauthorised use and that transactions are properly authorised and recorded.

The effectiveness of the internal financial control systems is monitored through management reviews, comprehensive reviews and testing by the internal auditor and the independent auditor's testing of appropriate aspects of the internal financial control systems during the course of their statutory examinations of the company and the underlying subsidiaries.

## APPROVAL OF CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS

The consolidated and separate annual financial statements of City Lodge Hotels Limited, as set out on pages 3 to 65 were approved by the board of directors on 11 September 2025 and signed on its behalf by:



**Andrew Widegger**  
Chief executive officer



**Dhanisha Nathoo**  
Chief financial officer

## Certificate by the company secretary

In terms of section 88(2)(e) of the Companies Act of 2008, as amended, I certify that, to the best of my knowledge and belief, the company has lodged with the Companies and Intellectual Property Commission, all such returns and notices required of a public company in terms of the Companies Act, No. 71 of 2008, as amended, in respect of the financial year ended 30 June 2025 and that all such returns are true, correct and up to date.



**Melanie van Heerden**  
Company secretary

11 September 2025

# Chief executive officer and chief financial officer's responsibility statement

for the year ended 30 June 2025

Each of the directors whose names are stated below hereby confirm that:

- (i) the annual financial statements set out on pages 3 to 65, fairly present in all material respects the financial position, financial performance and cash flows of City Lodge Hotels Limited in terms of IFRS<sup>®</sup> Accounting Standards;
- (ii) to the best of our knowledge and belief, no facts have been omitted or untrue statements made that would make the annual financial statements false or misleading;
- (iii) internal financial controls have been put in place to ensure that material information relating to City Lodge Hotels Limited and its consolidated subsidiaries have been provided to effectively prepare the financial statements of City Lodge Hotels Limited;
- (iv) the internal financial controls are adequate and effective and can be relied upon in compiling the annual financial statements, having fulfilled our role and function as executive directors with primary responsibility for implementation and execution of controls;
- (v) where we are not satisfied, we have disclosed to the audit committee and the auditors any deficiencies in design and operational effectiveness of the internal financial controls, and have taken steps to remedy the deficiencies; and
- (vi) we are not aware of any fraud involving directors.



**Andrew Widegger**  
*Chief executive officer*



**Dhanisha Nathoo**  
*Chief financial officer*

# Report of the audit committee

for the year ended 30 June 2025

Dear Stakeholders

The audit committee plays a vital role ensuring the integrity of the group's financial controls and integrated reporting in identifying and managing financial risk. This report is provided by the audit committee in compliance with the Companies Act, and as recommended by King IV™.

## COMPOSITION AND MEETINGS

The committee comprises three independent non-executive directors. All appointed directors satisfied the requirements of section 94(4) of the Companies Act and King IV™ recommendations. As a collective and considering the size and circumstances of the group, the committee is adequately skilled, and all members possess the appropriate financial and related qualifications, skills and financial expertise and experience required to discharge their responsibilities.

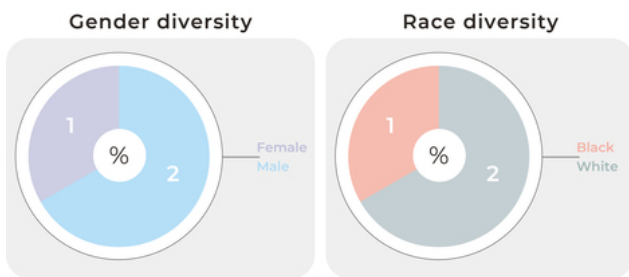
The committee met three times during the year, as per the committee's mandate and terms of reference. The group chief executive officer, chief financial officer and representatives from external audit and internal audit attend each meeting by invitation. The committee chairperson engages regularly with management on material matters and external auditor and internal auditor have direct access to the committee.

### Meeting attendance

Members	Sept 2024	Feb 2025	May 2025
Mathukana Mokoka (chairperson)	1	1	1
Deon Huysamer	1	1	1
Andrew Lapping	1	1	1
Ndumi Medupe (resigned 21 November 2024)	1	–	–
<b>By invitation</b>			
Andrew Widgegger (CEO) <sup>1</sup>	1	1	1
Dhanisha Nathoo (CFO) <sup>1</sup>	1	1	1

<sup>1</sup> Executive director

## Gender and race diversity



## INTERNAL CONTROL

The audit committee has considered and approved the group's system of internal financial controls, based on the reports received from the external auditor, reports on hotel visits and internal financial control testing by the internal auditor, and confirms that no material breakdown of internal controls has taken place during the year.

## STATUTORY DUTIES

The audit committee is satisfied that it considered, executed and discharged its responsibilities during the year in accordance with its mandate.

The committee has considered the independence of the company's external auditor, PricewaterhouseCoopers Inc., and is satisfied that, for the year under review, the external auditor is independent. The committee adopts a work plan annually, in advance, in order to manage the discharge of its

responsibilities under the Companies Act, King IV™, its own charter and the JSE Listings Requirements.

The committee agreed to the engagement letter, terms, external audit plan and fees for the 2025 financial year.

In accordance with the company's non-audit services policy, the committee considered and pre-approved all non-audit services provided by the external auditor, ensuring that the independence of the external auditor was not compromised. In the current year, no non-audit services have been performed.

It has also considered that appropriate financial reporting procedures exist and are working, which includes consideration of all entities included in the consolidated financial statements.

The committee reviewed and approved the group accounting policies; considered all significant transactions and accounting matters that occurred during the year and evaluated whether the accounting treatment was appropriate in terms of IFRS Accounting Standards.

The committee also considered the JSE's most recent report and annexure on proactive monitoring of financial statements, and taken appropriate action where necessary to respond to the findings as highlighted in the report when preparing the annual financial statements for the year ended 30 June 2025.

The committee, excluding management invitees, met with both the external and internal auditor in order to discuss any issues relevant to the audit as well as to consider the resources and adequacy of the finance function, in particular the expertise and experience of the chief financial officer. The committee is satisfied with the appropriateness of the expertise and experience of the chief financial officer.

The committee, excluding both the external and internal auditor, met with management invitees in order to discuss any issues relevant to the audit as well as to consider the quality and effectiveness of the external and internal audit process and concluded that both were adequate.

The audit committee has requested all findings by the Independent Regulatory Board for Auditors or any other regulatory bodies, and the associated responses and reviews undertaken by the auditor. There are no significant matters to report on in this regard.

In carrying out its responsibility for risk oversight in respect of the management of financial and other risks (internal financial controls; fraud and IT risks as they relate to financial reporting) the committee collaborates with and received feedback from the risk committee on risks having a financial and reporting impact on the company.

## SOLVENCY AND LIQUIDITY

The committee is satisfied that the board has performed a solvency and liquidity test on the group and company and has concluded that the group and company satisfy the test, on the basis of the continued availability of borrowing facilities, the operational performance during the last financial year, and on the ongoing performance forecast for the next 12 months.

Following our review, and having regard to all material factors and risks that may impact the financial statements, we accordingly recommended the consolidated and separate financial statements of City Lodge Hotels Limited for the year ended 30 June 2025 to the board of directors for approval on 11 September 2025.

**Mathukana Mokoka**  
Chairperson of the audit committee

11 September 2025

# Directors' report

for the year ended 30 June 2025

## NATURE OF BUSINESS

The company is a South African incorporated public company domiciled in the Republic of South Africa. The group owns and operates high-quality, affordable hotels targeted at the business community and leisure traveller. There have been no material changes in the nature of the group's and company's business from the prior year.

## FINANCIAL RESULTS

The financial results of the group for the year are set out in the consolidated financial statements and accompanying notes thereto. Group profit after taxation for the year amounted to R213.0 million (2024: R188.7 million), resulting in basic diluted earnings per share of 38.3 cents, compared to 33.2 cents in the prior year. Headline earnings amounted to R184.1 million (33.1 cents per share, diluted) compared to R188.5 million (33.2 cents per share, diluted) in the previous year. Net asset value per share improved to 230 cents from 210 cents in the prior year.

The group generated positive cash flows from operating activities of R247.1 million (2024: R299.8 million).

The company's interest in its subsidiaries' profit after taxation amounted to R25.8 million (2024: profit after taxation of R3.4 million).

## DIVIDENDS

### Interim

The board approved an interim dividend of 6.0 cents per share (4.8 cents net after deducting withholding tax) on 19 February 2025 (2024: 6.0 cents).

### Final

Subsequent to year end, the board has approved a final ordinary dividend of 9.0 cents per ordinary share (7.2 cents net after deducting withholding tax) in respect of the year ended 30 June 2025 (2024: 9.0 cents). The source of the dividend will be from distributable reserves. The dividend will be payable on 6 October 2025 to shareholders registered in the company's securities register on 3 October 2025.

## STATED CAPITAL

There was no change in the authorised share capital of the company during the year under review. The company has authorised share capital of 10 000 000 000 ordinary no par value shares.

In continuation of the group's strategy to return capital and value to shareholders, the group acquired 7 629 300 (2024: 11 712 670) shares at an average price of R3.92 per share between March and June 2025. The cost of the share repurchases totalled R30.0 million. Following the cancellation of these shares, the total number of ordinary no par value shares in issue as at 30 June 2025 is 590 517 532 (2024: 598 146 832).

## SUBSIDIARIES

Details relating to interest in subsidiaries are included in note 4.

## INTEREST-BEARING BORROWINGS

The group refinanced its total loan facilities of R600.0 million, and overdraft facilities of R115.0 million during the year. The new loan facilities mature between June 2028 and June 2030. The total interest-bearing borrowings balance is Nil as at 30 June 2025 (2024: Nil). The group retains access to the total loan facilities of R600 million, and an accordion facility of R300 million, subject to the funder's credit approval.

## GOING CONCERN

The consolidated and separate financial statements are prepared on the going-concern basis. Based on the cash flow forecasts, available liquidity from cash resources and access to available debt facilities, the directors believe that the group and company have sufficient resources to continue operations as a going concern in a responsible and sustainable manner. Refer to note 31 for further details.

## SUBSEQUENT EVENTS

Further details are included in note 29.

The latest country specific US Tariffs announcement was effective as from 1 August 2025. A 30% import tariff has been imposed on all South African goods exported to the US. The direct impact on the company is not significant as the company does not trade with any party within the US and neither does it have significant suppliers, vendors or customers within the US. However, the company may be indirectly impacted given the overall impact the tariff increases will have on the South African economy.

The board has approved a final ordinary dividend of 9.0 cents per ordinary share (7.2 cents net after deducting withholding tax) in respect of the year ended 30 June 2025 (2024: 9.0 cents).

Other than the above, the directors are not aware of any matter or circumstance arising since the reporting date and the date of this report.

# Directors' report continued

for the year ended 30 June 2025

## DIRECTORATE

Directors of the company are set out below:

	Appointed
<b>Independent non-executive</b>	
Bulelani Ngcuka (Chairman)	2008
Frank Kilbourn (Deputy Chairman)	1996
Deon Huysamer	2015
Andrew Lapping	2021
Dr. Sizakele Marutlulle	2016
Ndumi Medupe (resigned 21 November 2024)	2006
Mathukana Mokoka	2022
<b>Non-executive</b>	
Stephen Enderle	2021
<b>Executive</b>	
Andrew Widgegger (CEO)	1994
Dhanisha Nathoo (CFO)	2020
Lindiwe Siddo (COO)	2018

Frank Kilbourn, Mathukana Mokoka and Andrew Lapping with regards retiring by rotation. Andrew, who, in terms of the Memorandum of Incorporation, retires by rotation at the AGM, has elected not to make himself available for re-election and will accordingly retire from the Board and Audit and Remuneration and Nominations committee with effect from the close of the AGM. Samara Totaram will be appointed to the board and as a member of the Audit and Remuneration and Nominations committee, effective 20 November 2025.

## DIRECTORS' EMOLUMENTS

No material contracts in which the directors have an interest were entered into during the year under review. Refer to note 18 of the consolidated and separate financial statements for details of the group's executive management compensation.

## COMPANY SECRETARY

Mrs M C van Heerden  
City Lodge Hotels Limited  
The Lodge, Bryanston Gate Office Park  
Corner Homestead Avenue and Main Road  
Bryanston  
Johannesburg, 2191  
(PO Box 97, Cramerview, 2060)

## EXTERNAL AUDITOR

PricewaterhouseCoopers Inc. were re-appointed into office at the company's 2024 annual general meeting in accordance with section 90 of the Companies Act of South Africa, to report on the financial year ending 30 June 2025. They will continue in office in accordance with section 90 of the Companies Act of South Africa.

## MATERIAL SHAREHOLDERS

Beneficial shareholders holding 5% or more of the company's listed ordinary shares as at 30 June 2025 were as follows:

	%	Number of shares owned
Enderle SA (Pty) Ltd	9.2%	54 358 553
Entertainment Holdings (Pty) Ltd	8.5%	50 001 729
Allan Gray Clients	8.3%	49 130 524
H4 Collective Investments	5.5%	32 630 140

# Independent auditor's report

To the shareholders of City Lodge Hotels Limited

## REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

### OUR OPINION

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of City Lodge Hotels Limited (the Company) and its subsidiaries (together the Group) as at 30 June 2025, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with IFRS Accounting Standards and the requirements of the Companies Act of South Africa.

### What we have audited

City Lodge Hotels Limited's consolidated and separate financial statements set out on pages 14 to 61 comprise:

- the consolidated and separate statements of financial position as at 30 June 2025;
- the consolidated and separate statements of profit or loss and other comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the financial statements, including material accounting policy information.

### BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated and separate financial statements* section of our report.


We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We are independent of the Group in accordance with the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors* (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (Including International Independence Standards)*.

### OUR AUDIT APPROACH

#### Overview

	<p><b>Final materiality</b></p> <ul style="list-style-type: none"> <li>• Consolidated financial statements: R19.97 million which represents 1% of consolidated revenue for the year ended 30 June 2025.</li> <li>• Separate financial statements: R19.04 million which represents 1% of revenue for the year ended 30 June 2025.</li> </ul>
	<p><b>Group audit scope</b></p> <ul style="list-style-type: none"> <li>• A full scope audit was performed on 1 component that was significant due to risk and/or size.</li> <li>• Specified procedures were also performed on 1 non-significant component.</li> </ul>
	<p><b>Key audit matter</b></p> <ul style="list-style-type: none"> <li>• Impairment assessment of Property, plant and equipment and Right-of-use assets</li> </ul>

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated and separate financial statements. In particular, we considered where the directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

In terms of the IRBA Rule on Enhanced Auditor Reporting for the Audit of Financial Statements of Public Interest Entities, published in Government Gazette Number 49309 dated 15 September 2023 (EAR Rule), we report final materiality and group audit scope below.

# Independent auditor's report continued

## Final materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the consolidated and separate financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated and separate financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the final materiality for the consolidated and separate financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the consolidated and separate financial statements as a whole.

	Consolidated financial statements	Separate financial statements
<b>Final materiality</b>	R19.97 million	R19.04 million
<b>How we determined it</b>	1% of consolidated revenue	1% of revenue
<b>Rationale for the materiality benchmark applied</b>	<p>We chose consolidated revenue, because, in our view, it is the benchmark against which the performance of the Group can be consistently measured.</p> <p>Consolidated revenue is considered to be a key objective and focus of the Group's businesses and a key performance indicator for management and investors.</p> <p>We chose 1% as the benchmark threshold which is consistent with quantitative materiality thresholds used for Groups operating within this industry. In determining the benchmark threshold, we took into account various factors, including the intended users and distribution of the financial statements as well as the level of the Group's debt.</p>	<p>We chose revenue, because, in our view, it is the benchmark against which the performance of the Company can be consistently measured.</p> <p>Revenue is considered to be a key objective and focus of the Company's business and a key performance indicator for management and investors.</p> <p>We chose 1% as the benchmark threshold which is consistent with quantitative materiality thresholds used for Companies operating within this industry. In determining the benchmark threshold, we took into account various factors, including the intended users and distribution of the financial statements as well as the level of the Company's debt.</p>

## Group audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

The Group has hotel operations in South Africa, Botswana, Namibia and Mozambique. In addition, the Group has centralised functions, property holding companies and investment holding companies domiciled in South Africa.

The consolidated financial statements are a consolidation of the Group's hotel operations, investment and property holding companies and centralised functions (each considered to be a 'component' for purposes of our group scoping).

We performed a full scope audit on 1 component that was considered to be significant due to risk and/or size. Furthermore, we performed specified procedures on 1 component to ensure that sufficient coverage was obtained over the consolidated financial statements. No further audit procedures were performed on the remaining 11 components for the purposes of the Group audit as they were either non-significant or inconsequential to the Group.

In establishing the overall approach to the Group audit, we determined the work to be performed by us, as the group engagement team. Further substantive audit procedures were also performed by the group engagement team over the consolidation process.

The extent of work performed on the components within the Group provided us with sufficient and appropriate audit evidence to express an opinion on the consolidated financial statements as a whole.

## KEY AUDIT MATTERS

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

In terms of ISA 701 *Communicating key audit matters in the independent auditor's report* / the EAR Rule (as applicable), we are required to report key audit matters and the outcome of audit procedures or key observations with respect to the key audit matters, and these are included below.

Key audit matter	How our audit addressed the key audit matter
<p><b>Impairment assessment of Property, plant and equipment and Right-of-use assets</b></p> <p>This key audit matter relates to the consolidated and separate financial statements.</p> <p>A significant portion of the Group and Company's total assets comprise property, plant and equipment (PPE) and right-of-use (ROU) assets. PPE constitutes those assets owned by the Group and Company while ROU assets relate to land and/or buildings leased by the Group and Company.</p> <p>As at 30 June 2025, the carrying value of the Group and Company's PPE amounted to R1.94 billion and R1.46 billion respectively.</p> <p>As it relates to ROU assets, the Group and Company has recognised ROU assets amounting to R909.35 million and R847.80 million respectively.</p> <p>At the end of each reporting period, the Group and Company reviewed the carrying amounts of each hotel (which is considered to be an individual cash-generating unit (CGU)) to determine whether there are any indications of impairment. If any such indication exists, then the CGUs recoverable amount is determined.</p> <p>Management has assessed the carrying amount of the individual CGUs for an impairment loss or impairment reversal during the financial year by reviewing cash flow forecasts for the period 2026 to 2030, which they believe adequately reflects the cash flows generated by the underlying hotels.</p> <p>Based on the assessment performed, no impairment loss or impairment reversals have been recognised on PPE and ROU assets during the period.</p> <p>The recoverable amount of each individual CGU has been based on the value-in-use (VIU) using the discounted cash flow model (DCF) by applying projected cash flows over a five-year period.</p> <p>In determining the forecast cash flow assumptions for established and newer hotels, significant judgement and estimation was applied in determining the occupancy, room rates and operating expenses. Furthermore, significant judgement and estimation is applied in determining the terminal growth rate and discount rate assumptions to be used in the DCF model.</p> <p>The impairment assessment of PPE and ROU assets was considered to be a matter of most significance to our current year audit of the consolidated and separate financial statements due to:</p> <ul style="list-style-type: none"> <li>• the significant judgements and estimation applied in determining the forecast cash flow assumptions, terminal growth rates and discount rates; and</li> <li>• the magnitude of the carrying amounts of the Group and Company's PPE and ROU assets.</li> </ul>	<p>Our audit addressed this key audit matter as follows:</p> <p>We assessed whether there were any impairment indicators for each CGU in terms of International Accounting Standard 36, Impairment of Assets (IAS 36). No other impairment indicators were identified that were not already identified by management.</p> <p>We assessed management's definition and composition of a CGU by comparing it to the principles contained in IAS 36 to confirm that each individual hotel meets the definition of a CGU. No material exceptions were noted.</p> <p>We assessed the reasonability of the budgets (which formed the basis for the cash flows used in the DCF model) as follows:</p> <ul style="list-style-type: none"> <li>• Obtained an understanding of the setting, reviewing and approval of the budgets and the assumptions applied.</li> <li>• Assessed the reliability of the budgeting process, by comparing the prior period budgeted results for the Group to the current financial year's actual results of the Group. We further compared post year-end budgeted information to post year-end actual results to understand management's ability to follow a robust budgeting process that results in credible budgets. Where the budgeted numbers significantly differed from actual results, we obtained corroboration from management which we considered to be reasonable and consistent with other evidence obtained during the audit.</li> </ul> <p>We tested the mathematical accuracy of the DCF model and assessed whether the DCF model is consistent with market practice and the applicable requirements of IAS 36. We did not note any aspect which required further consideration.</p> <p>For the base year (financial year 2026) used in the DCF model, we agreed the cash flow forecasts to the budget approved by the board of directors. No material exceptions were noted.</p> <p>We tested the reasonableness of the assumptions applied by management in their forecast cash flows as follows:</p> <ul style="list-style-type: none"> <li>• Discussions with management to understand the basis for the assumptions used in respect of the cash flows and corroborated their explanations by evaluating: <ul style="list-style-type: none"> <li>– the past performance of the CGU and the post-year end performance of the CGU;</li> <li>– the consistency with external market and industry data; and</li> <li>– the corroboration of strategic initiatives with evidence obtained from independent sources and in other areas of the audit.</li> </ul> </li> <li>• We assessed the reasonableness of the occupancy and room rates applied in management's revenue forecasts by comparing these to historical actual trends.</li> <li>• We assessed the reasonableness of capital expenditure and working capital movements applied by management in the DCF model by agreeing these to historical actual trends.</li> </ul> <p>Based on our procedures performed above, we found the assumptions applied by management to be reasonable.</p>

# Independent auditor's report continued

## Key audit matter

Refer to the following material accounting policies and notes to the financial statements for the details as it relates to this key audit matter:

- Summary of material accounting policies: Significant judgements and areas of estimation uncertainty: Impairment of property, plant and equipment and right-of-use assets;
- Summary of material accounting policies: Impairments: Non-financial assets;
- Note 1: Property, plant and equipment; and
- Note 2: Right-of-use assets.

## How our audit addressed the key audit matter

The reasonableness of the terminal growth rates was assessed by comparing the terminal growth rates to long term growth rates obtained from independent sources. We applied these terminal growth rates to our independent valuation scenarios, and it was determined that management's overall impairment assessment was within an acceptable range and therefore we accepted management's terminal growth rates as being reasonable.

With the assistance of our valuation expertise, we independently sourced data such as the long-term growth rates, cost of debt, cost of leases, risk-free rates in the applicable market, market risk premiums adjusted for specific risks relating to the relevant CGUs, small stock premiums, debt/equity ratios, and the betas of comparable companies. We then independently calculated a discount rate for a sample of individual CGUs. The calculation of the discount rate performed by our valuation experts was performed on a sample of individual CGUs and the valuation principles were replicated across the CGUs assessed. We applied this independently calculated discount rate to our independent valuation scenarios, and it was determined that management's overall impairment assessment was within an acceptable range and therefore we accepted management's impairment assessment amount as being reasonable.

We assessed the reasonableness of the discount rates, terminal growth rates and net cash flows by performing a sensitivity analysis to determine the impact that a change in discount rates, terminal growth rates and net cash flows would have on the DCF analysis and the resultant recoverable amount. We did not note any aspects requiring further consideration.

## OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the information included in the document titled "City Lodge Hotels Annual Financial Statements for the year ended 30 June 2025", which include(s) the Directors' report, the Report of the audit committee and the Certificate by the company secretary as required by the Companies Act of South Africa, which we obtained prior to the date of this auditor's report, and the other sections of the document titled "City Lodge Hotels Integrated Annual Report 2025", which is expected to be made available to us after that date. The other information does not include the consolidated or the separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not and will not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with IFRS Accounting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

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

## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and / or Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence, regarding the financial information of the entities or business units within the Group, as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

### Audit tenure

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that PricewaterhouseCoopers Inc. has been the auditor of City Lodge Hotels Limited for 4 year(s).

*PricewaterhouseCoopers Inc.*

PricewaterhouseCoopers Inc.  
Director: AM Motaung  
Registered Auditor  
Johannesburg, South Africa  
11 September 2025

# Statements of financial position

as at 30 June 2025

R000	Notes	GROUP		COMPANY	
		2025	2024	2025	2024
<b>ASSETS</b>					
<b>Non-current assets</b>		<b>2 880 933</b>	2 732 031	<b>2 679 256</b>	2 493 772
Property, plant and equipment	1	<b>1 936 177</b>	1 762 608	<b>1 461 821</b>	1 277 619
Right-of-use assets	2	<b>909 350</b>	917 414	<b>847 795</b>	844 750
Intangible assets and goodwill	3	<b>22 694</b>	24 457	<b>22 694</b>	24 457
Interest in subsidiaries	4	–	–	<b>346 146</b>	346 146
Investments		<b>800</b>	800	<b>800</b>	800
Deferred taxation	5	<b>11 912</b>	26 752	–	–
<b>Current assets</b>		<b>195 165</b>	231 747	<b>148 713</b>	161 037
Inventories	6	<b>8 148</b>	7 155	<b>7 691</b>	6 406
Trade receivables	26.5	<b>70 372</b>	69 555	<b>68 227</b>	67 059
Other receivables	7	<b>88 817</b>	87 238	<b>64 472</b>	59 463
Taxation receivable		<b>456</b>	483	–	–
Cash and cash equivalents <sup>1</sup>		<b>27 372</b>	67 316	<b>8 323</b>	28 109
<b>Total assets</b>		<b>3 076 098</b>	2 963 778	<b>2 827 969</b>	2 654 809
<b>EQUITY</b>					
<b>Capital and reserves</b>		<b>1 263 772</b>	1 173 594	<b>1 066 605</b>	922 254
Stated capital	8	<b>1 243 133</b>	1 273 133	<b>1 243 133</b>	1 273 133
Treasury shares	9	<b>(520 779)</b>	(512 807)	<b>(520 779)</b>	(512 807)
Other reserves	10	<b>76 958</b>	77 524	<b>70 544</b>	71 600
Retained earnings		<b>464 460</b>	335 744	<b>273 707</b>	90 328
<b>LIABILITIES</b>					
<b>Non-current liabilities</b>		<b>1 449 493</b>	1 405 856	<b>1 354 050</b>	1 296 643
Lease liabilities	12	<b>1 379 217</b>	1 336 312	<b>1 284 433</b>	1 227 759
Provisions		<b>10 696</b>	10 696	<b>10 696</b>	10 696
Deferred taxation	5	<b>59 580</b>	58 848	<b>58 921</b>	58 188
<b>Current liabilities</b>		<b>362 833</b>	384 328	<b>407 314</b>	435 912
Lease liabilities	12	<b>56 746</b>	80 696	<b>43 273</b>	69 636
Taxation payable		<b>8 660</b>	9 312	<b>4 228</b>	8 443
Trade and other payables	13	<b>297 427</b>	294 320	<b>359 813</b>	357 833
<b>Total liabilities</b>		<b>1 812 326</b>	1 790 184	<b>1 761 364</b>	1 732 555
<b>Total equity and liabilities</b>		<b>3 076 098</b>	2 963 778	<b>2 827 969</b>	2 654 809

<sup>1</sup> Cash and cash equivalents are measured at amortised cost, and are held in current accounts with the Group's bankers.

# Statements of profit or loss and other comprehensive income

for the year ended 30 June 2025

R000	Notes	GROUP		COMPANY	
		2025	2024	2025	2024
<b>Revenue</b>	14	<b>1 997 450</b>	1 930 538	<b>1 903 512</b>	1 842 610
Other income	15	<b>68 665</b>	11 847	<b>105 174</b>	14 477
Expected credit loss (charge)/reversal on trade receivables	26.5	<b>(571)</b>	1 697	<b>(859)</b>	1 889
Salaries and wages		<b>(588 547)</b>	(553 290)	<b>(563 230)</b>	(529 896)
Property costs		<b>(187 025)</b>	(165 301)	<b>(181 643)</b>	(159 819)
Food and beverage costs		<b>(150 726)</b>	(146 181)	<b>(143 042)</b>	(139 500)
Rooms related costs		<b>(204 270)</b>	(226 248)	<b>(196 458)</b>	(216 762)
Unrealised losses on foreign exchange		<b>(7 912)</b>	(11 751)	<b>(180)</b>	(108)
Other operating costs	16	<b>(300 903)</b>	(282 407)	<b>(313 732)</b>	(304 218)
Depreciation and amortisation		<b>(87 934)</b>	(76 316)	<b>(78 485)</b>	(66 859)
Depreciation on right-of-use assets		<b>(92 399)</b>	(94 986)	<b>(81 448)</b>	(83 908)
Impairment reversal on other receivables	7	–	–	–	3 969
<b>Operating profit</b>		<b>445 828</b>	387 602	<b>449 609</b>	361 875
Interest income	19.1	<b>1 807</b>	3 341	<b>1 774</b>	3 305
Interest expense	19.2	<b>(136 227)</b>	(136 519)	<b>(125 772)</b>	(120 541)
<b>Profit before taxation</b>		<b>311 408</b>	254 424	<b>325 611</b>	244 639
Taxation	20	<b>(98 429)</b>	(65 757)	<b>(57 969)</b>	(63 999)
<b>Profit for the year</b>		<b>212 979</b>	188 667	<b>267 642</b>	180 640
<b>Other comprehensive income</b>					
<b>Items that are or may be reclassified to profit or loss</b>					
Foreign currency translation differences (non-taxable)		<b>490</b>	1 383	–	–
<b>Total comprehensive income for the year</b>		<b>213 469</b>	190 050	<b>267 642</b>	180 640
Basic earnings per share (cents)	25	<b>38.3</b>	33.3		
Basic diluted earnings per share (cents)	25	<b>38.3</b>	33.2		

# Statements of cash flows

for the year ended 30 June 2025

R000	Notes	GROUP		COMPANY	
		2025	2024	2025	2024
<b>Cash inflow from operating activities</b>		<b>247 120</b>	299 839	<b>304 021</b>	301 452
Cash generated by operations	24.1	<b>548 585</b>	576 700	<b>572 960</b>	540 232
Interest received		<b>1 807</b>	3 341	<b>1 774</b>	3 305
Interest paid		<b>(6 645)</b>	(12 430)	<b>(6 645)</b>	(4 233)
Interest paid – leases	12	<b>(128 809)</b>	(127 728)	<b>(118 354)</b>	(116 277)
Taxation paid	24.2	<b>(83 555)</b>	(60 408)	<b>(61 451)</b>	(41 939)
Dividends paid	21	<b>(84 263)</b>	(79 636)	<b>(84 263)</b>	(79 636)
<b>Cash outflow from investing activities</b>		<b>(202 164)</b>	(164 639)	<b>(250 057)</b>	(506 099)
Investment to maintain operations	24.3	<b>(251 559)</b>	(164 639)	<b>(251 103)</b>	(164 038)
Investment to expand operations	24.4	<b>(8 962)</b>	–	–	–
Advances to subsidiary		–	–	–	(342 061)
Proceeds on disposal of property, plant and equipment		<b>58 357</b>	–	<b>1 046</b>	–
<b>Cash outflow from financing activities</b>		<b>(84 777)</b>	(396 060)	<b>(73 750)</b>	(87 071)
Capital repayment of lease liabilities	12	<b>(46 805)</b>	(36 398)	<b>(35 778)</b>	(27 409)
Purchase of incentive scheme shares	9	<b>(7 972)</b>	(8 078)	<b>(7 972)</b>	(8 078)
Repurchase of ordinary shares	8	<b>(30 000)</b>	(51 584)	<b>(30 000)</b>	(51 584)
Proceeds from interest-bearing borrowings	11	<b>80 000</b>	–	<b>80 000</b>	–
Repayments of interest-bearing borrowings	11	<b>(80 000)</b>	(300 000)	<b>(80 000)</b>	–
Net decrease in cash and cash equivalents		<b>(39 821)</b>	(260 860)	<b>(19 786)</b>	(291 718)
Cash and cash equivalents at the beginning of year		<b>67 316</b>	328 345	<b>28 109</b>	319 827
Effect of movements in exchange rates on cash held		<b>(123)</b>	(169)	–	–
<b>Cash and cash equivalents at the end of year</b>		<b>27 372</b>	67 316	<b>8 323</b>	28 109

# Statements of changes in equity

for the year ended 30 June 2025

R000	Notes	Stated capital	Treasury shares	Other reserves	Retained earnings	Total
<b>GROUP</b>						
<b>Balance as at 30 June 2023</b>		1 324 717	(504 729)	71 283	226 713	1 117 984
<b>Total comprehensive income for the year</b>		–	–	1 383	188 667	190 050
Profit for the year		–	–	–	188 667	188 667
Foreign currency translation differences		–	–	1 383	–	1 383
<b>Transactions with owners, recorded directly in equity</b>		(51 584)	(8 078)	4 858	(79 636)	(134 440)
Repurchase of ordinary shares	8	(51 584)	–	–	–	(51 584)
Incentive scheme shares	9	–	(8 078)	–	–	(8 078)
Share compensation reserve	10	–	–	4 858	–	4 858
Dividends paid	21	–	–	–	(79 636)	(79 636)
<b>Balance as at 30 June 2024</b>		1 273 133	(512 807)	77 524	335 744	1 173 594
<b>Total comprehensive income for the year</b>		–	–	490	212 979	213 469
Profit for the year		–	–	–	212 979	212 979
Foreign currency translation differences		–	–	490	–	490
<b>Transactions with owners, recorded directly in equity</b>		(30 000)	(7 972)	(1 056)	(84 263)	(123 291)
Repurchase of ordinary shares	8	(30 000)	–	–	–	(30 000)
Incentive scheme shares	9	–	(7 972)	–	–	(7 972)
Share compensation reserve	10	–	–	(1 056)	–	(1 056)
Dividends paid	21	–	–	–	(84 263)	(84 263)
<b>Balance as at 30 June 2025</b>		1 243 133	(520 779)	76 958	464 460	1 263 772

# Statements of changes in equity

for the year ended 30 June 2025

R000	Notes	Stated capital	Treasury shares	Other reserves	(Accumulated losses)/ retained earnings	Total
<b>COMPANY</b>						
<b>Balance as at 30 June 2023</b>		1 324 717	(504 729)	66 742	(10 676)	876 054
<b>Total comprehensive income for the year</b>						
Profit for the year		-	-	-	180 640	180 640
<b>Transactions with owners, recorded directly in equity</b>		(51 584)	(8 078)	4 858	(79 636)	(134 440)
Repurchase of ordinary shares	8	(51 584)	-	-	-	(51 584)
Incentive scheme shares	9	-	(8 078)	-	-	(8 078)
Share compensation reserve	10	-	-	4 858	-	4 858
Dividends paid	21	-	-	-	(79 636)	(79 636)
<b>Balance as at 30 June 2024</b>		1 273 133	(512 807)	71 600	90 328	922 254
<b>Total comprehensive income for the year</b>						
Profit for the year		-	-	-	267 642	267 642
<b>Transactions with owners, recorded directly in equity</b>		(30 000)	(7 972)	(1 056)	(84 263)	(123 291)
Repurchase of ordinary shares	8	(30 000)	-	-	-	(30 000)
Incentive scheme shares	9	-	(7 972)	-	-	(7 972)
Share compensation reserve	10	-	-	(1 056)	-	(1 056)
Dividends paid	21	-	-	-	(84 263)	(84 263)
<b>Balance as at 30 June 2025</b>		1 243 133	(520 779)	70 544	273 707	1 066 605

# Summary of material accounting policies

for the year ended 30 June 2025

## REPORTING ENTITIES

City Lodge Hotels Limited (the company) is a company domiciled in South Africa. The group financial statements for the year ended 30 June 2025 comprise the company and its subsidiaries (together referred to as the group).

The group owns and operates high-quality, affordable hotels targeted at the business community and leisure traveller.

Where reference is made to 'group', it should be interpreted as company where the context requires and unless otherwise stated.

## BASIS OF PREPARATION

### Functional and presentation currency

These financial statements are presented in South African Rand ('R'), which is the company's functional and group's presentation currency, rounded to the nearest thousand unless indicated otherwise.

### Basis of measurement

These financial statements are prepared on the historical cost basis.

### Statement of compliance

The group and company financial statements have been prepared in accordance with IFRS Accounting Standards and its interpretations adopted by the International Accounting Standards Board, the Listings Requirements of JSE Limited, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and the requirements of the Companies Act, 71 of 2008 of South Africa. These group and company financial statements were authorised for issue by the board of directors on 11 September 2025.

### The assessment of shock events

#### US tariff announcement

The group does not have direct exposure to the US tariffs. The group does not export to the US, nor does it have any significant suppliers, vendors or customers trading with the US. Indirectly, the most likely impact will be on the overall economic uncertainty and negative impacts on the global economy.

## MATERIAL ACCOUNTING POLICIES

The accounting policies set out on the following pages have been applied consistently by all group entities to all periods presented in these financial statements, except as indicated otherwise in the case of new and amended standards adopted by the group.

### New and amended standards adopted by the group

The group adopted all the new revised or amended accounting pronouncements as issued by the IASB which were effective from 1 July 2024.

### Significant judgements and estimates

The preparation of the consolidated and separate financial statements requires management to make judgements, estimates and assumptions that may affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience, consideration of market predictions at these unprecedented times and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision only affects that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Information about significant areas of estimation, uncertainty and critical judgements, in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is in relation to the following:

#### Significant judgements: Determining the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. These extension and termination options are included in a number of the lease agreements across the group and are used to maximise operational flexibility in terms of managing the assets used in the group's operations.

The group's leasing portfolio comprises leases in relation to leases of land and/or buildings for its hotel operations. These lease agreements have varying tenures from 2 years to 30 years. The agreements also contain options to extend for up to 5 renewal periods.

The extension options (or periods after termination options) have been considered and where certain, one lease renewal period has been included in the lease term, due to the long tenure for the majority of the leases and to ensure that management maintains operational flexibility within the group as the location and business environment to which the hotel operates does change over time. All extension and termination options held are exercisable by the group and not by the respective lessor. The group assesses the certainty of renewal extensions annually, and evaluates all leases renewals with a renewal date within two years of the reporting date.

All future cash outflows have been included in the lease liability.

Refer to note 2 Right-of-use assets and note 12 Lease liabilities for details of specific leases that have been remeasured during the current year due to changes in the lease term.

# Summary of material accounting policies continued

for the year ended 30 June 2025

## Significant judgements and areas of estimation uncertainty: Impairment of property, plant and equipment and right-of-use assets

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Impairments as set out in note 1, explains the significant areas of estimation, uncertainty and critical judgements, in applying accounting policies which have the most significant effect on the amounts recognised in the financial statements.

### Basis of consolidation and business combinations

The group accounts for business combinations using the acquisition method when control is transferred to the group. The consideration transferred in the acquisition is measured at fair value, as are the identifiable net assets acquired and liabilities assumed. For a business combination achieved in stages, the pre-existing equity interest in the acquiree is measured at fair value at the acquisition date. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred.

### Consolidation

Subsidiaries are entities (including structured entities) over which the group has control. The group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

The company carries its investments in subsidiaries at cost, including transaction costs and initial fair value measurements of contingent consideration arising on acquisition date, less accumulated impairment losses. Subsequent fair value remeasurements of the contingent consideration are recognised in profit or loss.

Intragroup balances, and any unrealised gains and losses or income and expenses arising from intragroup transactions, are eliminated in preparing the consolidated financial statements. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred.

### Goodwill

Goodwill represents the excess of the costs of acquisition over the group's interest in the fair value of the identifiable assets (including intangibles), liabilities and contingent liabilities of the acquired entity at the date of acquisition and if a business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree.

Goodwill is stated at cost less accumulated impairment losses and is reviewed for impairment on an annual basis. Any impairment identified is recognised immediately in profit or loss and is not reversed.

Goodwill is allocated to cash-generating units (CGUs) for the purpose of impairment testing. Each of those CGUs is identified in accordance with the basis on which the businesses are managed and according to the differing risk and reward profiles.

The group tests annually whether goodwill has suffered any impairment in accordance with the accounting policy. The recoverable amounts of the CGUs have been determined based on the higher of fair value less costs to sell and value-in-use calculations.

### Foreign transactions and balances

The financial statements for each group company have been prepared on the basis that transactions in foreign currencies are recorded in their functional currency at the rate of exchange ruling at the date of the transaction. Monetary items denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date with the resultant translation differences being credited or charged to profit or loss.

### Foreign subsidiaries – translation

Once-off items in the statement of profit or loss and other comprehensive income and statement of cash flows of foreign subsidiaries expressed in currencies other than the South African Rand are translated to South African Rand at the rates of exchange prevailing on the day of the transaction. All other items are translated at average rates of exchange for the relevant reporting period. Assets and liabilities of these undertakings are translated at closing rates of exchange at each reporting date. All translation exchange differences arising on the retranslation of opening net assets together with differences between statement of comprehensive income translated at average and closing rates are recognised as a separate component of other comprehensive income. For these purposes net assets include loans between group companies that form part of the net investment, for which settlement is neither planned nor likely to occur in the foreseeable future and is either denominated in the functional currency of the parent or the foreign entity.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

### Structured entities

The group established a number of structured entities for the purposes of the B-BBEE transaction in 2008, and a share trust for the benefit of the employees. The group did not have any direct or indirect shareholdings in these entities. The group guaranteed the funding of the structured entities and as such it was deemed to control these structured entities resulting in the incorporation of the structured entities into the company and group financial statements.

The company is considered to be the sponsor entity of the structured entities as the structured entities are acting as an agent of the company and are therefore aggregated into the separate financial statements.

## Property, plant and equipment

### Owned assets

Items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Costs include expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials, direct labour and any other costs directly attributable to bringing the asset to a working condition for its intended use. Where significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Freehold land is stated at cost and is not depreciated. Freehold and leasehold buildings are stated at cost and depreciated over periods of up to 50 years as deemed appropriate to reduce carrying values to estimated residual values over their useful lives. Buildings under construction are not depreciated.

The group recognises in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when the cost is incurred if it is probable that the future economic benefits embodied with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of the replaced item is derecognised. All other costs are recognised in profit or loss as an expense as incurred.

Borrowing costs incurred on funds raised to erect hotel buildings (qualifying assets) are capitalised up to the date that the activities necessary to prepare the hotel for its intended use are substantially complete.

Depreciation is charged to profit or loss to write off the cost of the asset to its estimated residual value on a straight-line basis over the estimated useful life of each part of an item of property, plant and equipment. Depreciation commences the month following acquisition. The estimated useful lives are currently as follows:

Freehold buildings	10 to 50 years
Leasehold buildings	10 to 30 years, or the lease term if shorter
Furniture and equipment	5 to 10 years
Infrastructure	5 to 30 years

Leasehold improvements are written off over the initial period of the lease.

The residual values, depreciation methods, and useful lives are reassessed annually.

Gains or losses arising on the disposal of property, plant and equipment are included in profit or loss.

### Leases

#### As a lessee

The group recognises right-of-use assets and corresponding lease liabilities on the statement of financial position at the date at which the leased asset is available for use by the group. Each lease payment is allocated between liability and interest expense. The interest expense is charged to profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is subsequently measured at cost less accumulated depreciation and accumulated impairment losses. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes. Right-of-use assets are measured at cost comprising the amount of the initial measurement of the lease liability and any lease payments made at or before the commencement date, less any lease incentive received.

The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the group uses its respective incremental borrowing rates. Lease liabilities include the net present value of fixed payments (including in-substance fixed payments). Variable lease payments that depend on an index or a rate and are initially measured using the index or rate as at the commencement date.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

Contracts may contain both lease and non-lease components. For leases of property for which the group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

The group has no residual value guarantees.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise mainly IT equipment and small items of furniture.

Where the group reassesses the terms of any lease (i.e. it reassesses the probability of exercising an extension or termination option) or modifies the terms of a lease without increasing the scope of the lease or where the increased scope is not commensurate with the standalone price, it adjusts the carrying amount of the lease liability to reflect the payments to be made over the revised term, which are discounted at the applicable rate at the day of the reassessment or modification.

For reassessments to the lease terms, an equivalent adjustment is made to the carrying amount of the right-of-use asset, with the revised carrying amount being depreciated over the revised lease term. However, if the carrying amount of the right-of-use asset is reduced due to any further reduction in the measurement of the lease liability it is recognised in profit or loss.

When the group modifies the terms of a lease resulting in an increase in scope and the consideration for the lease increases by an amount commensurate with a standalone price for the increased scope, the group accounts for the modifications as a separate new lease. This accounting treatment equally applies to leases for which the group elected the short-term lease exemption, and when the lease terms are subsequently modified.

# Summary of material accounting policies continued

for the year ended 30 June 2025

## Intangible assets

Internally developed trademarks are not recognised. Expenditure to enhance and maintain such trademarks is charged in full against profit or loss.

Expenditure on research activities is recognised in profit or loss as incurred.

Software development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the group intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in profit or loss as incurred. Subsequent to initial recognition, software development expenditure is measured at cost less accumulated amortisation and any accumulated impairment losses.

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, and is recognised in profit or loss.

The estimated useful lives are as follows:

Software costs      7 to 15 years

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

## Impairments

### Non-financial assets

The carrying amounts of the group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate or estimated using a price to earnings ratio that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

### Pre-opening expenses

Pre-opening expenses of new hotels are charged directly against profit or loss as incurred.

### Asset replacement reserve

Asset replacement reserve relates to advances made to the Body Corporates of Courtyard Hotel Rosebank and Courtyard Hotel Sandton for future capital expenditure for refurbishments and redevelopments, and are capitalised as the costs are incurred.

## Inventories

Inventory is stated at the lower of cost and net realisable value, on a first-in first-out basis, and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated selling expenses.

## Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand and bank overdrafts, when applicable. Bank overdrafts are treated as cash and cash equivalents within current liabilities on the statement of financial position.

Bank overdrafts are only offset in the statement of cash flows if they meet the following criteria: (i) repayable on demand, (ii) integral to cash management and (iii) fluctuates between positive and overdrawn.

## Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised in equity or other comprehensive income.

Current taxation comprises taxation payable calculated on the basis of the expected taxable income for the year, using the taxation rates enacted or substantively enacted at the reporting date, and any adjustment of taxation payable for previous years.

Deferred taxation is provided based on temporary differences. Temporary differences are differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax base. The amount of deferred taxation provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities using taxation rates enacted or substantively enacted at the reporting date. Deferred taxation is recognised in profit or loss except to the extent that it relates to a transaction that is recognised directly in equity or other comprehensive income in which case it is recognised in equity or other comprehensive income, or a business combination that is an acquisition. The effect on deferred taxation of any changes in taxation rates is recognised in profit or loss, except to the extent that it relates to items previously recognised directly in equity or other comprehensive income in which case it is recognised directly in equity or other comprehensive income.

Deferred taxation is not recognised for the following temporary differences:

- differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit;
- differences relating to investments in subsidiaries to the extent that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

A deferred taxation asset is recognised to the extent that it is probable that future taxable profits will be available against which the associated unused taxation losses and deductible temporary differences can be utilised. Deferred taxation assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related taxation benefit will be realised.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Dividend withholding tax is a tax on shareholders receiving dividends and is applicable to all dividends declared on or after 1 April 2012.

The company withholds dividend tax on behalf of its shareholders on dividends declared. Amounts withheld are not recognised as part of the company's tax charge, but rather as part of the dividend paid, recognised directly in equity.

## Financial instruments

### Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and liabilities are initially recognised when the group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value, plus for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

### Classification and subsequent measurement

On initial recognition, a financial asset is classified as measured at amortised cost.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at fair value through profit or loss:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows;
- its contractual terms give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

### Impairment

The group has elected to apply the simplified version of the expected credit loss model permitted by IFRS 9 in respect of trade receivables, which involves assessing lifetime credit losses on all balances using the provision matrix. The balance of the group's financial assets measured at amortised cost are other receivables, loan receivables and cash and cash equivalents to which the general model is applied.

### Cash and cash equivalents

Cash and cash equivalents are measured at amortised cost, using the effective interest method.

### Non-derivative financial liabilities

The group initially recognises debt securities issued on the date that they are originated. All other financial liabilities (including liabilities designated as fair value through profit or loss) are recognised initially on the trade date, which is the date that the group becomes a party to the contractual provisions of the instrument.

Financial liabilities are classified as at amortised cost. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains or losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Interest expense is recognised using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the amortised cost of the financial liability.

### Derecognition

Financial assets are derecognised if the group's contractual rights to the cash flows from the financial assets expire or if the group transfers the financial asset to another party without retaining control of substantially all risks and rewards of the asset.

Financial liabilities are derecognised if the group's obligations expire or are discharged or cancelled. The group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In order to determine if a financial liability's terms have been modified, the company examines whether the present value of the new cash flows under the new terms is at least 10% different from the present value of the remaining cash flows of the original liability, using the original effective interest rate. If the difference is 10% or greater, the existing liability is derecognised and a new financial liability is recognised. In order to perform this assessment, the company applies the discount rate at the date of modification.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

### Offset

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position when the group has a legally enforceable right to set off the recognised amounts, and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

# Summary of material accounting policies continued

for the year ended 30 June 2025

## Stated capital and equity

Ordinary shares are classified as equity. Incremental external costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

## Treasury shares

Ordinary shares held by the former B-BBEE structured entities are treated as treasury shares. Long-term incentive scheme shares for employees are treated as treasury shares.

## Provisions

Provisions are recognised when the group has a present legal or constructive obligation as a result of past events, for which it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the liability.

## Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled, in exchange for transferring goods or services to a customer. The group recognises revenue when it transfers control over goods or services to a customer.

The group recognises revenue from the following major sources:

- Accommodation;
- Food and beverage;
- Other revenue.

The transaction price is recorded as revenue when the performance obligations are satisfied.

Accommodation – the performance obligation is met when the accommodation service is consumed. Therefore, revenue is recognised at a point in time.

Food and beverage – the revenue is recognised at a point in time when the food and/or beverage is delivered to and accepted by the customer.

Other revenue – the revenue is recognised at a point in time. This comprises ancillary services and conferencing revenue and is recognised once the service is complete.

Customer payment terms utilising an incidental credit facility are within 30 days of statement.

Customers who purchase the group's services may join the group's customer loyalty programme and earn points that are redeemable against future purchases of the group's accommodation and related services. The points accumulate and expire after a period of three years. The group allocates a portion of the consideration received to loyalty points based on standalone selling prices. The amount allocated to the loyalty programme is deferred and is recognised as revenue when loyalty points are redeemed. When estimating standalone selling prices of the loyalty points, the group takes into account the expected redemption rate and the timing of such redemptions based on historical usage and forfeiture rates. The deferred revenue is recognised as contract liabilities, included in trade and other payables.

## Interest income and expense

Interest income comprises interest income on funds invested. Interest income is recognised as it accrues, using the effective interest method.

Interest expense comprise interest expense on borrowings and leases. All borrowing costs, not directly attributable to the acquisition, construction or production of qualifying assets, are recognised in profit or loss using the effective interest method.

## Employee benefits

### Short-term employee benefits

The cost of all short-term employee benefits is recognised during the period in which the employee renders the related service.

The liability for employee entitlements to salaries, bonuses and annual leave represent the amounts which the group has a present obligation to pay as a result of employees' services provided to the reporting date. The liability has been calculated at undiscounted amounts based on current salary rates.

### Long service awards

The group recognises a liability and an expense for long service awards where cash is paid to employees at certain milestone dates in their careers within the group. The method of accounting and frequency of valuation are similar to those used for defined benefit schemes. The actuarial valuation to determine the liability is performed annually. This liability has been disclosed under provisions in the statement of financial position.

## Retirement benefits

### Defined-contribution plans

Contributions to defined-contribution pension plans are recognised as an expense in profit or loss in the periods during which services are rendered by employees.

## Share-based payment transactions

The share incentive schemes allow certain employees to acquire shares of the company.

The fair value of rights granted are recognised as an employee expense with a corresponding increase in equity. The fair value is measured at grant date and spread over the period during which the employees become unconditionally entitled to the rights. The fair value of the rights granted is measured using the stated models, taking into account the terms and conditions upon which the rights were granted. The amount recognised as an expense is adjusted to reflect the actual number of share rights that vest, as well as for the number of share rights that is expected to vest in future, except where forfeiture is due only to share prices not achieving the threshold for vesting.

The fair value of restricted share plan shares granted are recognised as an employee expense over the period during which the employees become unconditionally entitled to the shares. The amount recognised as an expense is adjusted in the case of forfeiture due to termination of employment prior to vesting.

Share-based payment arrangements in which the group receives goods or services as consideration for its own equity instruments are accounted for as equity-settled share-based payment transactions, regardless of how the equity instruments are obtained by the group.

The group manages a share trust and treats the share trust set up to facilitate the share-based payment arrangement as an agent, i.e., an extension of the company. In other words, shares held by the trust is treated as treasury shares of the company.

### **Earnings per share**

The group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing profit for the period by the weighted average number of ordinary shares outstanding, excluding treasury shares during the period.

Diluted EPS is determined by dividing profit for the year by the weighted average number of ordinary shares outstanding, excluding treasury shares plus all potential dilutive ordinary shares, which comprise share options granted to employees.

Headline earnings per share is calculated in terms of *Circular 1-2023* Headline earnings.

### **Adjusted headline earnings – exceptional items excluded from underlying profit**

The group uses adjusted headline earnings as a performance measure to determine the underlying profit excluding exceptional items over and above those that are excluded from headline earnings as per the requirements of *Circular 1-2023* Headline earnings.

Exceptional items are those items of financial performance that are separately disclosed to assist in the understanding of the underlying financial performance achieved. The group considers exceptional items to be those that are not within the normal day-to-day operations of the business and are sufficiently material or unusual by nature or amount that they would distort the financial results if they were not adjusted. This would include headline earnings adjustments.

Apart from headline earnings adjustments, further exceptional items include, inter alia, unrealised gains or losses on foreign exchange, gains or losses from corporate transactions including related transaction costs, impairments and impairment reversals of deferred tax assets, hotel pre-opening expenses, other material once-off adjustments and restructure costs (if applicable). For the current year, the profit on the derecognition of the lease was considered to be a material once-off adjustment.

### **Segment analysis**

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The CODM has been identified as the group's CEO and executive committee. The CODM reviews the group's internal reporting by hotel brand in order to assess performance and allocate resources. Management has determined the operating segments based on the reports reviewed by the CODM which are used to make strategic decisions. The CODM assesses the performance of the operating segments based on revenue, EBITDAR (Earnings before interest, income tax, depreciation, amortisation and rent), and Adjusted EBITDAR (EBITDAR excluding unrealised gains or losses on foreign exchange and exceptional items). The measure also excludes all headline earnings and adjusted headline earnings adjustments that impact EBITDAR. Finance income and finance costs are not included in the results for each operating segment, as the cash and debt position is managed at a group level.

# Notes to the financial statements

for the year ended 30 June 2025

R000	GROUP		COMPANY	
	2025	2024	2025	2024
<b>1. PROPERTY, PLANT AND EQUIPMENT</b>				
<b>At cost</b>				
Land	176 373	142 596	36 072	1 178
Buildings	2 366 799	2 226 406	1 889 750	1 743 759
– freehold	1 927 822	1 737 346	1 480 052	1 276 082
– leasehold	438 977	489 060	409 698	467 677
Buildings under construction	6 833	34 785	6 833	34 785
Furniture and equipment	835 775	788 289	763 159	716 995
	<b>3 385 780</b>	<b>3 192 076</b>	<b>2 695 814</b>	<b>2 496 717</b>
<b>Accumulated depreciation and impairment losses</b>				
Buildings	895 071	873 439	742 220	724 570
– freehold	624 880	548 834	488 787	408 296
– leasehold	270 191	324 605	253 433	316 274
Furniture and equipment	554 532	556 029	491 773	494 528
	<b>1 449 603</b>	<b>1 429 468</b>	<b>1 233 993</b>	<b>1 219 098</b>
<b>Carrying amount</b>				
Land	176 373	142 596	36 072	1 178
Buildings	1 471 728	1 352 967	1 147 530	1 019 189
– freehold	1 302 942	1 188 512	991 265	867 786
– leasehold	168 786	164 455	156 265	151 403
Buildings under construction	6 833	34 785	6 833	34 785
Furniture and equipment	281 243	232 260	271 386	222 467
	<b>1 936 177</b>	<b>1 762 608</b>	<b>1 461 821</b>	<b>1 277 619</b>

R000	Land	Buildings	Furniture and equipment	Total
<b>Movements in carrying amount for the year</b>				
<b>GROUP</b>				
Opening balance – 30 June 2023	144 523	1 396 608	146 698	1 687 829
– At cost	144 523	2 274 704	701 418	3 120 645
– Accumulated depreciation and impairment losses	–	(878 096)	(554 720)	(1 432 816)
Additions	–	44 861	114 621	159 482
Disposals – cost	–	–	(25 969)	(25 969)
Disposals – accumulated depreciation	–	–	25 896	25 896
Depreciation	–	(44 259)	(28 871)	(73 130)
Loss on foreign exchange movement	(1 927)	(9 458)	(115)	(11 500)
<b>Closing balance – 30 June 2024</b>	<b>142 596</b>	<b>1 387 752</b>	<b>232 260</b>	<b>1 762 608</b>
Additions	34 894	151 821	91 234	277 949
Disposals – cost	–	(31 812)	(42 781)	(74 593)
Disposals – accumulated depreciation	–	17 172	41 000	58 172
Depreciation	–	(40 834)	(40 391)	(81 225)
Loss on foreign exchange movement	(1 117)	(5 538)	(79)	(6 734)
<b>Closing balance – 30 June 2025</b>	<b>176 373</b>	<b>1 478 561</b>	<b>281 243</b>	<b>1 936 177</b>

R000	Land	Buildings	Furniture and equipment	Total
<b>1. PROPERTY, PLANT AND EQUIPMENT</b> continued				
<b>COMPANY</b>				
Opening balance – 30 June 2023	1 178	1 043 582	137 724	1 182 484
– At cost	1 178	1 731 893	630 734	2 363 805
– Accumulated depreciation and impairment losses	–	(688 311)	(493 010)	(1 181 321)
Additions	–	46 651	112 230	158 881
Disposals – cost	–	–	(25 969)	(25 969)
Disposals – accumulated depreciation	–	–	25 896	25 896
Depreciation	–	(36 259)	(27 414)	(63 673)
<b>Closing balance – 30 June 2024</b>	<b>1 178</b>	<b>1 053 974</b>	<b>222 467</b>	<b>1 277 619</b>
Additions	<b>34 894</b>	<b>144 691</b>	<b>88 946</b>	<b>268 531</b>
Disposals – cost	–	<b>(26 653)</b>	<b>(42 783)</b>	<b>(69 436)</b>
Disposals – accumulated depreciation	–	<b>15 883</b>	<b>41 000</b>	<b>56 883</b>
Depreciation	–	<b>(33 531)</b>	<b>(38 245)</b>	<b>(71 776)</b>
<b>Closing balance – 30 June 2025</b>	<b>36 072</b>	<b>1 154 364</b>	<b>271 385</b>	<b>1 461 821</b>

At 30 June 2025, properties in the group and company with a carrying amount of R446.3 million (2024: R361.7 million) are subject to a registered bond to secure interest-bearing borrowings (refer to note 11).

With the land purchase of City Lodge Hotel Fourways, the useful lives and residual values for the property were reassessed as it is no longer leasehold property and as a result depreciation ceased as the residual value exceeds the carrying amount. For the remainder of the group's property, plant and equipment, the reassessment of the useful lives and residual values during the current year resulted in no material impact to the depreciation.

During March 2025, the group finalised the sale on City Lodge Hotel Katherine Street. The hotel, with a carrying value of R15.1 million, was sold for R57.3m (net of VAT and transaction costs) resulting in a profit before tax of R42.2 million.

A register of the land and buildings is available for inspection at the registered office of the company, a copy of which will be supplied to members of the public on request.

#### **Considerations for impairment (losses) and reversals of property, plant and equipment, right-of-use assets and goodwill**

At the end of each reporting period, the group and company review the carrying amounts of each hotel (which is considered to be an individual cash-generating unit (CGU)) to determine whether there are any indications of impairment. If any such indication exists, then the CGUs recoverable amount is determined.

Management has assessed the carrying amount of the individual CGUs for an impairment loss or impairment reversal during the financial year by reviewing cash flow forecasts for the period 2026 to 2030, which we believe adequately reflects the cash flows generated by the underlying hotels. Based on the assessment performed, no impairment loss or impairment reversals have been recognised on PPE and ROU assets during the period (2024: no impairment or impairment reversal was recognised).

The recoverable amount of each individual CGU has been based on value-in-use (VIU) using the discounted cash flow model (DCF) by applying projected cash flows over a five-year period.

Where references are made to 'South Africa' in the impairment information below, this impacts company and group. References to 'Rest of Africa' impact group only.

#### **Significant judgements and areas of estimation uncertainty**

##### **Forecast cash flow assumptions for established and newer hotels**

Management are forecasting a continued improvement in occupancy and room rates, as the economic and geo-political pressures stabilise in the short to medium term. The optimistic outlook in tourism projections and foreign investment opportunities is projected to promote the recovery in trading levels and the return to long-term average occupancy levels. The forecast period in which each individual hotel returns to its long-term average occupancy has been individually considered based on its specific regional and market dynamics.

Consistent with the prior year, management's forecast follows a bottom-up approach (i.e. forecasts are prepared at a CGU level by the local general manager and then submitted, consolidated and reviewed at a head office level per CGU) for FY26 per CGU. For established hotels, which are hotels operating for more than six years, continued improvement in cash flows are expected between FY27 to FY30. Estimated revenue growth for established hotels ranges from 8% for FY27 to 7% for the years thereafter up until FY30 in South Africa. With respect to established hotels in Rest of Africa estimated revenue growth ranges from 10% for FY27 to 8% for the years thereafter up until FY30. (2024: Estimated revenue growth ranged from 13% for FY26 to 9% for the years thereafter up until FY29 in South Africa. Estimated revenue growth ranged from 19% for FY26 to 9% for the years thereafter up until FY29 for established hotels in Rest of Africa.)

# Notes to the financial statements continued

for the year ended 30 June 2025

## 1. PROPERTY, PLANT AND EQUIPMENT continued

**Considerations for impairment (losses) and reversals of property, plant and equipment, right-of-use assets and goodwill** continued

**Forecast cash flow assumptions for established and newer hotels** continued

The estimated escalations in revenue are driven by the expected value generated by key strategic developments including the modernisation of key hotels in the portfolio, and Best Available rate optimisation. Positive macro-economic factors, which include the reduction in interest rates, low inflation, better political stability in the South African economy as the Government of National Unity (GNU) has proven its sustainability over the last 12 months of uncertainty, and improved credibility for the country currently on course to potentially be removed from the grey list by the Financial Action Task Force ("FATF"), are an indication of enhanced economic activity and growth in the country over the short to medium term. South Africa is the major source market for the Southern African Development Community (SADC), and therefore the South African factors are expected to have a similar effect in the Rest of Africa.

Operating expense escalations trend toward long-term Reserve Bank and Central Bank CPI targets.

For newer hotels which have been operating less than six years, management estimates steeper levels of revenue growth, as the hotel establishes itself within its market, and reduced levels of operating expense growth due to the high proportions of fixed costs in hotel operations.

**Terminal growth rate assumptions**

The terminal growth rate applied is between 4.0% and 5.5% (2024: between 4.5% to 6.0%) for South African hotels and ranges between 4.0% and 7.5% (2024: between 5.5% and 7.5%) for the Rest of Africa hotels and is based on country-specific target inflations.

**Discount rate assumptions**

The discount rate represents a risk adjusted discount rate and is calculated by using a weighted average cost of capital ("WACC") of the respective CGUs. WACC is calculated using a risk-free rate referenced to the 10 year point on the SA Government Bond curve and an equity premium adjusted for specific risks relating to the relevant CGUs (share beta and small stock premium).

The pre-tax discount rate utilised in the valuation ranges between 12.8% and 17.5% (2024: 13.8% and 21.9%) for the South African hotels and ranges between 10.7% and 17.1% (2024: 11.0% and 19.0%) for Rest of Africa hotels. Despite lower risk free and borrowing rates, the discount rate for the South African hotels remains similar to the prior year as a result of the debt to equity split. For the rest of Africa hotels the pre-tax discount rate improved marginally compared to the prior year which is a result of a lower country risk premium and lower equity risk premium being applied in calculating the cost of equity. Based on the assessments performed, the recoverable amounts of the CGU's is higher than the carrying amount as at 30 June 2025, indicating no impairment loss.

Based on the impairment assessments performed, no impairments and impairment reversals have been recognised on property, plant and equipment and right-of-use assets in the current or prior year.

R000	GROUP		COMPANY	
	2025	2024	2025	2024
<b>2. RIGHT-OF-USE ASSETS</b>				
Opening balance	917 414	1 010 852	844 750	926 347
Depreciation	(92 399)	(94 986)	(81 448)	(83 908)
Derecognition for property acquired <sup>1</sup>	(16 164)	–	(16 164)	–
Remeasurement <sup>2</sup>	100 657	2 311	100 657	2 311
Effects of movement in exchange rates	(158)	(763)	–	–
<b>Closing balance</b>	<b>909 350</b>	<b>917 414</b>	<b>847 795</b>	<b>844 750</b>
Cost	1 632 488	1 548 411	1 506 734	1 422 242
Accumulated depreciation and impairment losses	(723 138)	(630 997)	(658 939)	(577 492)
<b>Net carrying amount</b>	<b>909 350</b>	<b>917 414</b>	<b>847 795</b>	<b>844 750</b>

<sup>1</sup> The derecognition of property acquired is for the purchase of the land for City Lodge Hotel Fourways, which was previously leased. The land purchase has been recognised as an addition to land within property, plant and equipment. Refer to note 1.

<sup>2</sup> The remeasurement in the current year mainly relates to the group's intention to renew the lease of the Town Lodge Menlo Park for the additional term of 30 years as it was deemed reasonably certain that this lease will be extended on renewal date, and the finalisation of the lease renewal of City Lodge Hatfield for a further two years.

The leasing activities of the group and company relate to the leasing of land and/or buildings. During the year ended 30 June 2025, the group and company did not recognise any new impairments or reversals (2024: no impairment or impairment reversals were recognised for the group and the company). Refer to note 1 for further information on the impairments and related key assumptions and sensitivities.

Associated lease liabilities are disclosed in note 12.

R000	GROUP		COMPANY	
	2025	2024	2025	2024
<b>3. INTANGIBLES AND GOODWILL</b>				
<b>At cost</b>				
Software costs	70 994	67 580	70 612	67 189
Goodwill	19 581	19 581	19 581	19 581
	<b>90 575</b>	<b>87 161</b>	<b>90 193</b>	<b>86 770</b>
<b>Accumulated amortisation and impairment losses</b>				
Software costs	48 300	43 123	47 918	42 732
Goodwill	19 581	19 581	19 581	19 581
	<b>67 881</b>	<b>62 704</b>	<b>67 499</b>	<b>62 313</b>
<b>Carrying amount</b>				
Software costs	22 694	24 457	22 694	24 457
Goodwill	–	–	–	–
	<b>22 694</b>	<b>24 457</b>	<b>22 694</b>	<b>24 457</b>

R000	Software cost	Goodwill	Total
<b>Movements in carrying amount for the year</b>			
<b>GROUP</b>			
Opening balance – 30 June 2023	22 275	–	22 275
– At cost	62 226	19 581	81 807
– Accumulated amortisation and impairment losses	(39 951)	(19 581)	(59 532)
Amortisation	(3 186)	–	(3 186)
Additions	5 368	–	5 368
<b>Closing balance – 30 June 2024</b>	<b>24 457</b>	<b>–</b>	<b>24 457</b>
Amortisation <sup>1</sup>	(6 709)	–	(6 709)
Additions	4 946	–	4 946
Disposals - Cost	(1 523)	–	(1 523)
Disposals - Accumulated amortisation	1 523	–	1 523
<b>Closing balance – 30 June 2025</b>	<b>22 694</b>	<b>–</b>	<b>22 694</b>
<b>COMPANY</b>			
Opening balance – 30 June 2023	22 275	–	22 275
– At cost	61 820	19 581	81 401
– Accumulated amortisation and impairment losses	(39 545)	(19 581)	(59 126)
Amortisation	(3 186)	–	(3 186)
Additions	5 368	–	5 368
<b>Closing balance – 30 June 2024</b>	<b>24 457</b>	<b>–</b>	<b>24 457</b>
Amortisation <sup>1</sup>	(6 709)	–	(6 709)
Additions	4 946	–	4 946
Disposal - Cost	(1 523)	–	(1 523)
Disposal - Accumulated amortisation	1 523	–	1 523
<b>Closing balance – 30 June 2025</b>	<b>22 694</b>	<b>–</b>	<b>22 694</b>

<sup>1</sup> The group is in the process of replacing its property management system ("PMS"). This has resulted in the acceleration of the amortisation in the current year and the remaining amortisation period for the PMS has been assessed as two years. For the remainder of software costs the remaining amortisation period is seven years (2024: seven years).

# Notes to the financial statements continued

for the year ended 30 June 2025

R000	Location	Issued share capital	% held	COMPANY	
				2025	2024
<b>4. INTEREST IN SUBSIDIARIES</b>					
<b>Shares at carrying amount</b>					
Budget Hotels Proprietary Limited	South Africa	R100	100	<b>1 073</b>	1 073
City Lodge Hotels (Africa) Proprietary Limited	South Africa	R700 000 100	100	<b>343 059</b>	343 059
City Lodge Hotels (Botswana) Proprietary Limited	Botswana	BWP1	100	*	*
CLHG Mozambique Lda <sup>^</sup>	Mozambique	MZN1 000 000	1	<b>3</b>	3
Courtyard Management Company Proprietary Limited	South Africa	R100	100	*	*
Gallic Courtyard (Arcadia) Share Block Proprietary Limited	South Africa	R1 518	100	<b>1</b>	1
Gallic Courtyard (Bruma Lake) Share Block Proprietary Limited	South Africa	R2 584	100	<b>3</b>	3
Gallic Courtyard (Rosebank) Share Block Limited	South Africa	R3 816	100	<b>4</b>	4
Gallic Courtyard (Sandown) Share Block Limited	South Africa	R3 067	100	<b>3</b>	3
Property Lodging Investments Proprietary Limited	South Africa	R100	100	<b>2 000</b>	2 000
				<b>346 146</b>	346 146

\* Less than R1 000.

<sup>^</sup> The majority shareholder (99%) is City Lodge Hotels (Africa) Proprietary Limited, and the group has 100% holding.

The company also has an indirect 100% shareholding in City Lodge Holdings (Share Block) Proprietary Limited and City Lodge Hotels (Namibia) Proprietary Limited, and an indirect 99% shareholding in CLHG Mozambique Lda.

R000	COMPANY	
	2025	2024
Opening balance	<b>346 146</b>	8 832
Additional investment in subsidiary due to subscription agreement	–	343 059
De-recognition of financial guarantee liability	–	(5 745)
<b>Closing balance</b>	<b>346 146</b>	346 146

In the prior year, the Company and City Lodge Hotels (Africa) Proprietary Limited ("CLA") entered into a subscription and set-off agreement on 25 June 2024, to acquire additional shares in CLA. At the time of the transaction, the net carrying amount of the loan receivable from CLA was R343.1 million. The cost of the shares was settled against the net carrying amount of the loan receivable from CLA of R343.1 million.

Based on an assessment of the recoverable amount of the investment in CLA, no additional impairment was identified at the reporting date.

R000	GROUP		COMPANY	
	2025	2024	2025	2024
<b>5. DEFERRED TAXATION</b>				
<b>Movement in deferred taxation assets</b>				
Opening balance	26 752	10 574	-	-
Charged to profit or loss	(1 017)	(3 541)	-	-
Impairment reversal of deferred tax asset <sup>1,2</sup>	(13 750)	20 000	-	-
Foreign exchange movement	(73)	(281)	-	-
<b>Closing balance</b>	<b>11 912</b>	<b>26 752</b>	<b>-</b>	<b>-</b>
<b>Analysis of deferred taxation assets/(liabilities)</b>				
Capital allowances	(177)	(245)	-	-
Deductible accruals	1 119	634	-	-
Right-of-use asset	(5 634)	(3 770)	-	-
Lease liability	8 895	7 575	-	-
Prepayments	(3)	-	-	-
Tax loss	7 701	22 520	-	-
Unrealised foreign exchange gain	11	38	-	-
	<b>11 912</b>	<b>26 752</b>	<b>-</b>	<b>-</b>
<b>Movement in deferred taxation liabilities</b>				
Opening balance	58 848	43 387	58 188	42 728
Charged to profit or loss	732	15 461	733	15 460
<b>Closing balance</b>	<b>59 580</b>	<b>58 848</b>	<b>58 921</b>	<b>58 188</b>
<b>Analysis of deferred taxation liabilities/(assets)</b>				
Capital allowances	216 311	210 065	215 652	209 405
Income received in advance	(11 255)	(8 278)	(11 255)	(8 278)
Right-of-use asset	228 905	228 083	228 905	228 083
Lease liability	(358 481)	(350 298)	(358 481)	(350 298)
Prepayments	2 693	1 258	2 693	1 258
Share options	(1 831)	(4 174)	(1 831)	(4 174)
Tax loss	-	-	-	-
Accruals	(16 762)	(17 808)	(16 762)	(17 808)
	<b>59 580</b>	<b>58 848</b>	<b>58 921</b>	<b>58 188</b>

<sup>1</sup> In the current year, there were changes in tax legislation communicated by the Namibia Revenue Authority in September 2024, and became effective for the Group from 1 July 2024, which impact whether the asset is considered recoverable. Section 21 has been amended to limit the amount of assessed losses which may be set-off against taxable income and is limited to N\$1 000 000, or 80% of taxable income, whichever is greater. In addition, no assessed loss shall be carried forward as a deduction for more than five years. In light of these changes, a R13.5 million impairment has been recognised.

<sup>2</sup> In the prior year, the impairment loss recognised in respect of previous years on the deferred tax asset in the Namibian subsidiary has been reversed by R20.0 million, due to the improved performance of the subsidiary, and the impact of the capitalisation of the intercompany loan by its holding company, City Lodge Hotels (Africa) Proprietary Limited. It was estimated, prior to new tax legislation in September 2024, that there would be sufficient taxable income in the medium term against which the deductible temporary differences could be used.

# Notes to the financial statements continued

for the year ended 30 June 2025

## 5. DEFERRED TAXATION continued

The expected manner of recovery of the deferred tax asset and settlement of the liability will be through use.

The tax rate used to calculate the deferred tax balance is:

- South Africa – 27% (2024: 27%)
- Botswana – 22% (2024: 22%)
- Mozambique – 32% (2024: 32%)
- Namibia – 30% (2024: 32%)

The R11.9 million (2024: R26.8 million) deferred taxation assets are considered recoverable as they relate to timing differences and tax losses which will be utilised and set-off against future taxable profits.

### Estimated available tax losses

R000	GROUP		COMPANY	
	2025	2024	2025	2024
Estimated available tax losses	209 590	229 837	–	–
Tax losses recognised in determining deferred tax assets	(28 946)	(74 459)	–	–
<b>Unrecognised tax losses</b>	<b>180 644</b>	<b>155 378</b>	<b>–</b>	<b>–</b>
Unrecognised deferred tax asset pertaining to unutilised tax losses	56 538	49 116	–	–

R000	GROUP		COMPANY	
	2025	2024	2025	2024

## 6. INVENTORIES

Food, liquor and beverages

8 148

7 155

7 691

6 406

Food and beverages expensed during the year are included on the statements of profit or loss and other comprehensive income as food and beverage costs.

There was no write-off of inventories during the year (2024: nil).

R000	GROUP		COMPANY	
	2025	2024	2025	2024

## 7. OTHER RECEIVABLES

### Financial assets

15 874

13 947

24 281

20 355

Amounts due by subsidiaries (refer to note 27.5)

–

–

11 007

9 406

Sundry receivables<sup>1</sup>

8 793

8 123

6 193

5 125

Enterprise development loans

7 081

5 824

7 081

5 824

### Non-financial assets

72 943

73 291

40 191

39 108

Prepayments

13 477

11 759

12 340

10 668

Asset replacement reserve

27 851

28 440

27 851

28 440

Value added tax (VAT) refundable

31 615

33 092

–

–

88 817

87 238

64 472

59 463

<sup>1</sup> Sundry receivables includes levies receivable and other sundries.

### Impairment allowance on other receivables

As the other receivables balances are not in default, the credit risk at year end was considered not to have increased. The probability of default was assessed as close to nil and therefore an immaterial loss allowance was raised for the amounts outstanding at year end. In the prior year, the loan receivable from City Lodge Hotels (Namibia) (Proprietary) Limited was considered to be fully recoverable as a result of the improved trading performance of the entity which resulted in a reduction of R4.0 million in the loss allowance. The impairment reversal was recognised in the statement of profit or loss and other comprehensive income.

R000	GROUP		COMPANY	
	2025	2024	2025	2024
<b>8. STATED CAPITAL</b>				
<b>Authorised - No par value shares</b>				
Number of ordinary shares of no par value ('000)	10 000 000	10 000 000	10 000 000	10 000 000
<b>Issued and fully paid</b>				
Opening balance	1 273 133	1 324 717	1 273 133	1 324 717
Repurchase of ordinary shares	(29 889)	(51 299)	(29 889)	(51 299)
Transaction costs	(111)	(285)	(111)	(285)
<b>Closing balance</b>	<b>1 243 133</b>	<b>1 273 133</b>	<b>1 243 133</b>	<b>1 273 133</b>
<b>Reconciliation of number of shares in issue</b>				
Opening balance	598 146 832	609 859 502	598 146 832	609 859 502
Repurchase of ordinary shares	(7 629 300)	(11 712 670)	(7 629 300)	(11 712 670)
<b>Closing balance</b>	<b>590 517 532</b>	<b>598 146 832</b>	<b>590 517 532</b>	<b>598 146 832</b>

During the year the group acquired 7 629 300 (2024: 11 397 972) shares at an average price of R3.92 (2024: R4.37). The shares have been cancelled and revert to authorised but unissued shares. In the prior year, the group also acquired 314 698 shares at an average price of R4.71 per share in December 2023, through an odd-lot offer.

All unissued ordinary shares are under the control of the directors, with the power to allot and issue these shares for the purposes of the CSP, subject to the maximum overall limit of 5% of the issued shares, in terms of a resolution of members passed at the last annual general meeting. The authority remains in force until the next annual general meeting.

R000	GROUP		COMPANY	
	2025	2024	2025	2024
<b>9. TREASURY SHARES</b>				
Opening balance	(512 807)	(504 729)	(512 807)	(504 729)
Incentive scheme shares purchased	(7 972)	(8 078)	(7 972)	(8 078)
<b>Closing balance</b>	<b>(520 779)</b>	<b>(512 807)</b>	<b>(520 779)</b>	<b>(512 807)</b>

Treasury shares include 35 393 908 shares (with a market value of R139 million (2024: R153 million)) held by the SPV's, and 2 821 475 shares (with a market value of R11 million (2024: R12 million)) held by the 10th Anniversary Employees' Share Trust. The SPV's and the City Lodge 10th Anniversary Employees' Share Trust have been aggregated into the results of City Lodge Hotels Limited, as the trust and the SPV's are considered to be acting as agents on behalf of the company.

# Notes to the financial statements continued

for the year ended 30 June 2025

R000	GROUP		COMPANY	
	2025	2024	2025	2024
<b>10. OTHER RESERVES</b>				
<b>Share-based payment reserve</b>	<b>70 544</b>	71 600	<b>70 544</b>	71 600
Opening balance	<b>71 600</b>	66 742	<b>71 600</b>	66 742
(Reversal)/expense for the year – share incentive scheme (refer to note 16)	<b>(1 056)</b>	4 858	<b>(1 056)</b>	4 858
<i>The share-based payment reserve relates to the accumulated cost for the future settlement of obligations arising from the share incentive schemes.</i>				
<b>Foreign currency translation reserve</b>	<b>6 414</b>	5 924	–	–
Opening balance	<b>5 924</b>	4 541	–	–
Foreign currency translation differences	<b>490</b>	1 383	–	–
<i>The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.</i>				
<b>Closing balance</b>	<b>76 958</b>	77 524	<b>70 544</b>	71 600

R000	GROUP		COMPANY	
	2025	2024	2025	2024
<b>11. INTEREST-BEARING BORROWINGS</b>				
Loan Facility A is a revolver facility of R200 million in total and bears interest at base rate plus an applicable margin of 1.7% per annum. Outstanding loan capital is repayable on 30 June 2028.	-	-	-	-
Loan Facility B is a revolver facility of R300 million in total and bears interest at the base rate plus an applicable margin of 1.95% per annum. Outstanding loan capital is repayable on 30 June 2029.	-	-	-	-
Loan Facility C is a revolver facility of R100 million in total and bears interest at the base rate plus an applicable margin of 2.1% per annum. Outstanding loan capital is repayable on 30 June 2030.	-	-	-	-
Loan Facility 1 is a revolver facility of R150 million in total and bears interest at the one month JIBAR plus margins ranging between 1.95% and 2.35% based on covenants. The loan facility was extinguished on 30 June 2025.	-	-	-	-
Loan Facility 2 is a revolver facility of R300 million in total and bears interest at the three-month JIBAR plus margins ranging between 2.10% and 2.50% based on covenants. The loan facility was extinguished on 30 June 2025.	-	-	-	-
Loan Facility 3 is a revolver facility of R150 million in total and bears interest at the one month JIBAR plus margins ranging between 2.20% and 2.70% based on covenants. The loan facility was extinguished on 30 June 2025.	-	-	-	-
<b>Non-current liabilities</b>	-	-	-	-
<b>The movement in interest-bearing borrowings during the year is as follows:</b>				
Opening balance	-	300 000	-	-
Borrowings raised	<b>80 000</b>	-	<b>80 000</b>	-
Borrowings repaid	<b>(80 000)</b>	(300 000)	<b>(80 000)</b>	-
Interest charged	<b>7 418</b>	8 509	<b>7 418</b>	31
Interest paid	<b>(6 645)</b>	(12 148)	<b>(6 645)</b>	-
	<b>773</b>	(3 639)	<b>773</b>	31
Opening balance – interest	<b>31</b>	3 670	<b>31</b>	-
Interest accrued included in sundry accruals	<b>(804)</b>	(31)	<b>(804)</b>	(31)
<b>Closing balance</b>	-	-	-	-
On 30 June 2025, the company entered into a new finance agreement with its lenders. With the announcement by the South African Reserve Bank (SARB) of its intention to transition from JIBAR to the South African Rand Overnight Index Average (ZARONIA) and the expiry of one of its facilities, the company opted to refinance all three loan facilities and include wording in the agreement to cater for the transition from JIBAR to Zaronia on final adoption by the SARB. At the time of concluding on the new finance agreement, no loan amounts were outstanding.				
The covenants for all measurement periods during the year ended 30 June 2025 were met. Refer to note 26.6.				
During the prior year, on the 25 June 2024, the loan facilities and all related rights and obligations were assigned by City Lodge Hotels (Africa) Proprietary Limited to the company. The terms and conditions, including covenant measurements remained unchanged. At the time of the cession, there were no outstanding balances.				

# Notes to the financial statements continued

for the year ended 30 June 2025

R000	GROUP		COMPANY	
	2025	2024	2025	2024
<b>12. LEASE LIABILITIES</b>				
Opening balance	1 417 008	1 452 575	1 297 395	1 322 493
Interest expense accrued	128 809	127 728	118 354	116 277
Capital lease payments	(46 805)	(36 398)	(35 778)	(27 409)
Interest payments	(128 809)	(127 728)	(118 354)	(116 277)
Derecognition for property acquired <sup>1</sup>	(34 568)	–	(34 568)	–
Remeasurements <sup>2</sup>	100 657	2 311	100 657	2 311
Effects of movement in exchange rates	(329)	(1 480)	–	–
<b>Closing balance</b>	<b>1 435 963</b>	<b>1 417 008</b>	<b>1 327 706</b>	<b>1 297 395</b>
Lease liabilities recognised in the statement of financial position are analysed as:				
Non-current portion	1 379 217	1 336 312	1 284 433	1 227 759
Current portion <sup>1</sup>	56 746	80 696	43 273	69 636
	<b>1 435 963</b>	<b>1 417 008</b>	<b>1 327 706</b>	<b>1 297 395</b>

<sup>1</sup> Derecognition for property acquired includes the derecognition of the lease liability for the City Lodge Fourways lease liability balance as the land was purchased from the landlord. In the prior year, the purchase consideration of R34 million was included in the current portion of lease liability as it was due to be settled within 12 months.

<sup>2</sup> The remeasurement in the current year mainly relates to the group's intention to renew the lease of the Town Lodge Menlo Park for the additional term of 30 years as it was deemed reasonably certain that this lease will be extended on renewal date, and the finalisation of the lease renewal of City Lodge Hatfield for a further two years.

The group and company has various lease agreements in place where the rentals are determined based on a percentage of turnover. The total cash outflow in relation to variable lease payments amounts to R6.1 million (2024: R18.1 million) for the group and company.

Associated right-of-use assets are disclosed in note 2. The maturity analysis is disclosed in note 26.4.

R000	GROUP		COMPANY	
	2025	2024	2025	2024
<b>13. TRADE AND OTHER PAYABLES</b>				
<b>Financial liabilities</b>	<b>197 872</b>	<b>202 653</b>	<b>271 032</b>	<b>269 742</b>
Trade payables	86 600	86 379	81 614	76 637
Amounts due to subsidiaries (refer to note 27.4)	–	–	82 441	80 546
Accruals	66 190	80 287	63 384	76 639
Other trade payables <sup>1</sup>	45 082	35 987	43 593	35 920
<b>Non-financial liabilities</b>	<b>99 555</b>	<b>91 667</b>	<b>88 781</b>	<b>88 091</b>
Income received in advance <sup>2</sup>	43 169	31 986	41 686	30 661
Leave pay provision	22 990	22 260	22 407	21 630
Bonus and 13th cheque provisions	19 565	25 197	19 106	24 651
Value added tax (VAT) payable and other	13 831	12 224	5 582	11 149
	<b>297 427</b>	<b>294 320</b>	<b>359 813</b>	<b>357 833</b>

<sup>1</sup> Other trade payables includes capital expenditure related payables and sundry payables.

<sup>2</sup> The total revenue recognised in the current year, which relates to carried forward income received in advance associated with advanced deposits, amounts to R32.0 million (2024: R27.3 million). The closing balance represents new advance deposits where the performance obligations have not yet been met at year-end. The amounts recognised as income received in advance will generally be utilised within the next 12 months.

## 14. REVENUE

The group derives revenue at a point in time, together with its customer reward programmes, which are earned as they are redeemed or expire. The group has contract liabilities from income received in advance and the customer reward programmes, which are included within trade and other payables.

Revenue increased by 3% compared to the prior year mainly due to the increase in the average room rate (ARR) which increased by 7% (2024: 9%) during the year, supported by continued improvement in food and beverage revenue of 8%, however these strong gains were somewhat eroded by a 2 percentage point reduction in occupancy, as business and consumer spending and demand softened due to local and geo-political uncertainty and economic pressures. The group also had a 48 748 (2024: 33 353) room nights (2% of total room night inventory) out of inventory during the year due to refurbishments.

Disaggregation of the revenue from contracts with customers for the year under review:

R000	GROUP		COMPANY	
	2025	2024	2025	2024
Accommodation	1 588 311	1 552 304	1 522 741	1 483 752
Food and beverage	393 223	363 288	365 480	344 428
Other revenue <sup>1</sup>	15 916	14 946	15 291	14 430
	<b>1 997 450</b>	<b>1 930 538</b>	<b>1 903 512</b>	<b>1 842 610</b>

<sup>1</sup> Other revenue comprises conferencing, boardroom hire and miscellaneous revenue.

R000	Rooms revenue	Food and beverage revenue	Other revenue	Total
<b>14.1 Revenue by segment</b>				
<b>GROUP</b>				
<b>2025</b>				
South Africa <sup>1</sup>	1 522 741	365 480	15 291	1 903 512
Courtyard Hotel	132 302	45 730	5 323	183 355
City Lodge Hotel	830 826	190 918	6 152	1 027 896
Town Lodge	226 776	67 273	2 247	296 296
Road Lodge	332 837	61 559	1 569	395 965
Rest of Africa	65 570	27 743	625	93 938
	<b>1 588 311</b>	<b>393 223</b>	<b>15 916</b>	<b>1 997 450</b>
<b>2024</b>				
South Africa <sup>1</sup>	1 483 752	344 428	14 430	1 842 610
Courtyard Hotel	121 596	41 828	5 156	168 580
City Lodge Hotel	807 401	182 512	6 118	996 031
Town Lodge	229 555	64 226	1 939	295 720
Road Lodge	325 200	55 862	1 217	382 279
Rest of Africa	68 552	18 860	516	87 928
	<b>1 552 304</b>	<b>363 288</b>	<b>14 946</b>	<b>1 930 538</b>

<sup>1</sup> Revenue by segment for Company only includes South Africa.

# Notes to the financial statements continued

for the year ended 30 June 2025

## 15. OTHER INCOME

R000	GROUP		COMPANY	
	2025	2024	2025	2024
Dividend from subsidiary in specie <sup>1</sup>	–	–	<b>75 000</b>	–
Licence fees received from subsidiaries	–	–	<b>4 727</b>	4 005
Other	<b>8 086</b>	11 709	<b>7 043</b>	10 334
Profit on disposal of property, plant and equipment	<b>42 175</b>	138	–	138
Profit on derecognition of lease (refer to note 2 and 12)	<b>18 404</b>	–	<b>18 404</b>	–
	<b>68 665</b>	11 847	<b>105 174</b>	14 477

<sup>1</sup> A dividend was declared by Property Lodging Investments Proprietary Limited and was settled against the outstanding inter-company loan balance with the company.

R000	GROUP		COMPANY	
	2025	2024	2025	2024
<b>16. OTHER OPERATING COSTS</b>				
Advertising and promotions	<b>25 632</b>	28 865	<b>19 512</b>	23 116
Auditor's remuneration	<b>8 981</b>	7 932	<b>7 128</b>	7 065
External audit fees	<b>7 004</b>	6 240	<b>5 656</b>	5 373
Non-audit services performed by the external auditor	–	338	–	338
Internal audit and other services performed by other auditors	<b>1 977</b>	1 354	<b>1 472</b>	1 354
Computer software licenses and maintenance	<b>23 849</b>	20 573	<b>23 833</b>	20 561
Insurance	<b>15 484</b>	14 581	<b>14 662</b>	13 822
Levies paid	<b>18 640</b>	8 536	<b>18 640</b>	8 536
Loss on disposal of property, plant and equipment	<b>239</b>	–	<b>239</b>	–
Loss on remeasurement of financial guarantee liability	–	–	–	1 452
Non-executive directors' fees (refer to note 18)	<b>4 837</b>	5 020	<b>4 837</b>	5 020
Sundry operating costs <sup>1</sup>	<b>55 318</b>	50 230	<b>42 426</b>	42 466
Staff related costs <sup>2</sup>	<b>27 934</b>	29 046	<b>26 926</b>	27 304
Security	<b>36 591</b>	35 140	<b>35 536</b>	34 187
Repairs and maintenance	<b>69 152</b>	62 093	<b>66 515</b>	59 962
Variable lease payments	<b>15 302</b>	15 533	<b>54 534</b>	55 869
Share-based payment expense (refer to note 23)	<b>(1 056)</b>	4 858	<b>(1 056)</b>	4 858
– City Lodge 10th Anniversary Employees' Share Trust	<b>28</b>	56	<b>28</b>	56
– City Lodge bonus share plan	<b>1 575</b>	769	<b>1 575</b>	769
– City Lodge conditional share plan	<b>(2 659)</b>	4 033	<b>(2 659)</b>	4 033
	<b>300 903</b>	282 407	<b>313 732</b>	304 218

<sup>1</sup> Sundry operating costs include printing, stationery, professional services and consulting fees, bank charges and miscellaneous expenses.

<sup>2</sup> Staff related costs include the movement in leave pay provision, discretionary staff and management bonuses, uniform costs, staff refreshments and entertainment, long service awards and training.

R000	GROUP	
	2025	2024
<b>17. RECONCILIATION OF OPERATING PROFIT TO EBITDAR AND ADJUSTED EBITDAR</b>		
<b>EBITDAR is made up as follows:</b>		
Operating profit	445 828	387 602
Depreciation and amortisation	87 934	76 316
Depreciation on right-of-use assets	92 399	94 986
Variable lease payments	15 302	15 533
<b>EBITDAR<sup>1</sup></b>	<b>641 463</b>	<b>574 437</b>
Unrealised losses on foreign exchange	7 912	11 751
Profit on disposal of property, plant and equipment	(42 175)	–
Profit on derecognition of lease	(18 404)	–
<b>Adjusted EBITDAR<sup>2,3</sup></b>	<b>588 796</b>	<b>586 188</b>

<sup>1</sup> The group defines EBITDAR as earnings before interest, income tax, depreciation, amortisation and rent.

<sup>2</sup> Adjusted EBITDAR is used by the group as measure of earnings from normal day-to-day operations, and further excludes exceptional items from EBITDAR.

<sup>3</sup> Exceptional items are considered to be those that are not within the normal day-to-day operations of the business and sufficiently material or unusual that they would distort the numbers if they were not adjusted. This would include headline and adjusted headline adjustments that impact EBITDAR.

R000	Basic salary	Performance and other bonus <sup>1</sup>	Fringe benefits and allowances	Pension fund contributions	Total annual remuneration	Current year share-based payment expense <sup>2</sup>	Total
<b>18. DIRECTORS' EMOLUMENTS</b>							
<b>Executive directors</b>							
<b>2025</b>							
Lindiwe Siddo	3 465	336	9	364	4 174	(330)	3 844
Dhanisha Nathoo	3 563	350	53	374	4 340	(288)	4 052
Andrew Widegger	6 581	853	32	1 053	8 519	(816)	7 703
	<b>13 609</b>	<b>1 539</b>	<b>94</b>	<b>1 791</b>	<b>17 033</b>	<b>(1 434)</b>	<b>15 599</b>
<b>2024</b>							
Lindiwe Siddo	3 234	687	9	340	4 270	364	4 634
Dhanisha Nathoo	3 228	696	52	339	4 315	605	4 920
Andrew Widegger	6 184	1 755	32	989	8 960	1 279	10 239
	12 646	3 138	93	1 668	17 545	2 248	19 793

<sup>1</sup> Performance and other bonus includes the accrual for the short term incentive bonuses.

<sup>2</sup> This expense represents the IFRS 2 costs for the year of any option or right given or reversed (refer to note 23).

Executive directors are full-time salaried employees, engaged on the company's standard terms and conditions of employment. The executive directors are the only prescribed officers.

No other payments were made to directors.

# Notes to the financial statements continued

for the year ended 30 June 2025

## 18. DIRECTORS' EMOLUMENTS continued

Conditional share plan FY25	Date of award	Grant date price (R)	Holding at 30 June 2024	Granted	Vested	Forfeited	Holding at 30 June 2025	Vesting date
Andrew Widegger	28/10/2024	5.01	–	1 465 041	–	–	1 465 041	27/10/2027
Lindiwe Siddo	28/10/2024	5.01	–	577 751	–	–	577 751	27/10/2027
Dhanisha Nathoo	28/10/2024	5.01	–	601 776	–	–	601 776	27/10/2027

Conditional share plan FY24	Date of award	Grant date price (R)	Holding at 30 June 2024	Granted	Vested	Forfeited	Holding at 30 June 2025	Vesting date
Andrew Widegger	31/10/2023	4.35	1 588 069	–	–	–	1 588 069	30/10/2026
Lindiwe Siddo	31/10/2023	4.35	621 878	–	–	–	621 878	30/10/2026
Dhanisha Nathoo	31/10/2023	4.35	630 072	–	–	–	630 072	30/10/2026

Conditional share plan FY23	Date of award	Grant date price (R)	Holding at 30 June 2024	Granted	Vested	Forfeited	Holding at 30 June 2025	Vesting date
Andrew Widegger	7/11/2022	4.06	1 575 466	–	–	–	1 575 466	6/11/2025
Lindiwe Siddo	7/11/2022	4.06	611 282	–	–	–	611 282	6/11/2025
Dhanisha Nathoo	7/11/2022	4.06	597 414	–	–	–	597 414	6/11/2025

Conditional share plan FY22	Date of award	Grant date price (R)	Holding at 30 June 2024	Granted	Vested*	Forfeited	Holding at 30 June 2025	Vesting date
Andrew Widegger	22/10/2021	5.07	409 724	–	(409 724)	–	–	21/10/2024
Lindiwe Siddo	22/10/2021	5.07	109 175	–	(109 175)	–	–	21/10/2024
Dhanisha Nathoo	22/10/2021	5.07	200 564	–	(200 564)	–	–	21/10/2024

\* Shared vested in FY2024 are subject to a holding period of two years, and shares vesting in FY25 are subject to a one year holding period.

## 18. DIRECTORS' EMOLUMENTS continued

Non-executive directors fees	Fees	
	2025	2024
R000		
Stephen Enderle	404	381
Deon Huysamer	566	483
Frank Kilbourn	636	604
Andrew Lapping	531	506
Dr Sizakele Marutlulle	482	412
Ndumi Medupe (resigned 21 November 2024)	236	564
Mathukana Mokoka	641	527
Stuart Morris (resigned 23 November 2023)	–	281
Bulelani Ngcuka (payment made to Vuwa Investments Proprietary Limited)	1 341	1 262
	<b>4 837</b>	5 020

### Directors' interests

The directors' individual interest in the ordinary share capital of the company at 30 June were as follows:

	Beneficial			
	Direct		Indirect	
	2025	2024	2025	2024
Stephen Enderle <sup>∞</sup>	900 000	900 000	55 144 733	55 592 996
Deon Huysamer	–	–	–	–
Frank Kilbourn <sup>Δ</sup>	238 000	238 000	218 162	218 162
Andrew Lapping	–	–	–	–
Dr Sizakele Marutlulle	–	–	–	–
Ndumi Medupe	–	–	–	–
Mathukana Mokoka	–	–	37 790	37 790
Dhanisha Nathoo	531 243	330 678	–	–
Bulelani Ngcuka <sup>*</sup>	–	–	246	246
Lindiwe Siddo	354 696	245 521	–	–
Andrew Widegger	4 010 131	3 600 406	–	–
<b>Total</b>	<b>6 034 070</b>	<b>5 314 605</b>	<b>55 400 931</b>	<b>55 849 194</b>

<sup>∞</sup> Stephen Enderle indirectly holds shares through Enderle SA Proprietary Limited, and his associates.

<sup>Δ</sup> Frank Kilbourn's direct holding and 75 362 (2024: 75 362) of his indirect holding is pledged as security in his personal capacity. The balance of the indirect holding is unencumbered.

<sup>\*</sup> Bulelani Ngcuka's indirect shareholding reflects his proportionate share of the 14 157 779 (2024: 14 157 779) shares owned by Vuwa Investments Proprietary Limited, following the indirect share repurchase by City Lodge Hotels Limited for the majority shares in Vuwa Hotels (RF) Proprietary Limited in December 2020.

No changes in directors' interests have taken place between the reporting date and the date of issue of these financial statements.

# Notes to the financial statements continued

for the year ended 30 June 2025

R000	GROUP		COMPANY	
	2025	2024	2025	2024
<b>19. INTEREST</b>				
<b>19.1 Interest income</b>				
Bank	1 807	3 341	1 774	3 305
	GROUP		COMPANY	
	2025	2024	2025	2024
<b>19.2 Interest expense</b>				
Long-term borrowings – bank	(7 418)	(8 509)	(7 418)	(31)
Lease liabilities	(128 809)	(127 728)	(118 354)	(116 277)
Short-term borrowings	–	(282)	–	(277)
Subsidiaries (refer to note 28)	–	–	–	(3 956)
	<b>(136 227)</b>	<b>(136 519)</b>	<b>(125 772)</b>	<b>(120 541)</b>
No interest was capitalised to property, plant and equipment during 2025 and 2024.				
	GROUP		COMPANY	
R000	2025	2024	2025	2024
<b>20. TAXATION</b>				
Current – current year	82 845	66 648	57 151	48 432
Deferred – current year	15 499	(998)	733	15 460
Deferred – prior year	–	–	–	–
Dividend withholding tax	85	107	85	107
	<b>98 429</b>	<b>65 757</b>	<b>57 969</b>	<b>63 999</b>
<b>Reconciliation of taxation rate (%)</b>				
Domestic statutory tax rate	27.0	27.0	27.0	27.0
<b>Adjusted for:</b>				
– deferred tax assets not recognised on assessed loss	4.2	6.6	–	–
– effects of capital gains tax	(0.7)	–	–	–
– recognition of previously unrecognised deferred tax asset	–	(7.9)	–	–
– effect of changes in tax rates	0.4	–	–	–
– effect of tax rates in foreign jurisdictions	(0.6)	0.7	–	–
– expenses not in the production of income	0.2	0.1	0.2	0.1
– impairment of deferred tax assets	4.4	–	–	0.2
– deductible allowances and rebates e.g. solar	(0.3)	(0.7)	(0.3)	(0.7)
– derecognition of lease	(3.0)	–	(2.9)	–
– exempt income – dividends received	–	–	(6.2)	–
– impairment reversal on other receivables	–	–	–	(0.4)
Effective rate of taxation	<b>31.6</b>	<b>25.8</b>	<b>17.8</b>	<b>26.2</b>

## 21. DIVIDENDS

The board approved the declaration of the following dividend in respect of the year ended 30 June 2025. The declaration of future dividends remains subject to satisfying solvency and liquidity requirements.

R000	GROUP		COMPANY	
	2025	2024	2025	2024
Number 66 of 9 cents per share (2024: Number 64 of 8 cents per share) declared on 6 September 2024 and paid on 30 September 2024	53 833	48 883	53 833	48 883
Number 67 of 6 cents per share (2024: Number 65 of 6 cents per share) declared on 19 February 2025 and paid on 17 March 2025	35 889	36 244	35 889	36 244
Dividends paid to employees by The 10th Anniversary Employee Share Trust	273	–	273	–
Dividends attributable to treasury shares	(5 732)	(5 491)	(5 732)	(5 491)
	<b>84 263</b>	<b>79 636</b>	<b>84 263</b>	<b>79 636</b>

R000	GROUP		COMPANY	
	2025	2024	2025	2024

## 22. COMMITMENTS

### Capital

#### Authorised

Contracted	172 893	254 019	163 855	239 283
Property, plant and equipment	172 893	253 460	163 855	238 724
Intangible software	–	559	–	559
Not yet contracted	123 750	205 353	111 656	200 754
Property, plant and equipment	110 194	199 653	98 100	195 054
Intangible software	13 556	5 700	13 556	5 700
	<b>296 643</b>	<b>459 372</b>	<b>275 511</b>	<b>440 037</b>

The group continues the modernisation and refurbishment program to the portfolio, with a further two hotels currently underway, and two more major refurbishments scheduled to commence later in the new financial year. Sustainability and resilience continues to be a focus area, with Phase 3 of the solar installations planned for FY26, including further deployment of resilience water solutions. The political unrest in Mozambique, construction and Council delays, and longer than usual supplier lead times have resulted in delays to some of the 2025 scheduled projects which have moved into 2026. Future capital expenditure will be financed out of funds generated from operations and external borrowings. All of the authorised capital expenditure is expected to be spent by 30 June 2026.

#### Guarantees

Total guarantees provided to third parties by the group's bankers on behalf of the company amounted to R8.8 million (2024: R8.8 million) which relates to contingent rent and deposits which were assessed not to be financial guarantee contracts. The directors do not believe any exposure to loss is likely.

The issued guarantees have the following expiry dates:

– not later than one year	–	–	–	–
– between one and five years	–	–	–	–
– later than five years	8 762	8 762	8 762	8 762

# Notes to the financial statements continued

for the year ended 30 June 2025

## 23. EMPLOYEE BENEFITS

### Retirement benefit information

The group and company provide retirement benefits to the group's permanent employees through a defined-contribution fund. Total contributions to this fund that has been expensed and included within salaries and wages, amounts to R50.0 million (2024: R46.0 million) and company contributions to this fund are fixed at a rate of 10.5% (16% for members who transferred from the historic defined-benefit fund) of pensionable salaries and 75.68% (2024: 75.02%) of the group's permanent employees are members. Employees who are not members of the above funds are members of the appropriate industry fund.

### Medical aid

Certain of the group's employees are members of the Discovery Health Medical Scheme. There are no obligations for post-retirement medical aid contributions.

### Share-based payments for group and company

#### Equity-settled conditional share plans (CSP)

The Group plan provides for the issue of shares conditional upon performance and employment conditions. The vesting period is generally one to four years. The vesting of the conditional shares are subject to the achievement of specified performance conditions. The CSP FY2022 performance conditions were the debt covenant measures, occupancy levels, free cash flow and EBITDA levels. Furthermore pro rata vesting for CSP FY2022 is conditional upon the employee being in the employment of the group for between 1 and 4 years. The CSP FY2023, CSP FY2024 and CSP FY2025 performance conditions are return on capital and headline earnings per share. Furthermore, pro rata vesting for CSP FY2023, CSP FY2024 and CSP FY2025 is conditional upon the employee being in the employment of the group for between 3 and 5 years. Fair value is measured using a binomial valuation model. The share-based equity-settled option reversal for the year ended 30 June 2025 in statement of profit or loss and other comprehensive income is R2 659 583 (2024: expense of R4 032 625). The reversal in the current year is mainly as a result that the performance conditions for CSP FY2023 were estimated not to be achieved at vesting date.

Number of CSPs	2025			
	CSP FY2025	CSP FY2024	CSP FY2023	CSP FY2022
Opening balance	–	5 403 025	5 000 413	2 580 685
Granted during the year	5 018 780	–	–	–
Forfeited during the year	(248 528)	(454 623)	(271 024)	(83 109)
Vested during the year	–	–	–	(1 248 788)
Vested shares transferred to a holding account	–	–	–	1 248 788
Expired during the year	–	–	–	–
<b>Closing balance</b>	<b>4 770 252</b>	<b>4 948 402</b>	<b>4 729 389</b>	<b>2 497 576</b>

Number of CSPs	2024		
	CSP FY2024	CSP FY2023	CSP FY2022
Opening balance	–	5 182 482	2 689 665
Granted during the year	5 403 025	–	–
Forfeited during the year	–	(182 069)	(108 980)
Vested during the year	–	–	(1 290 344)
Vested shares transferred to a holding account	–	–	1 290 344
Expired during the year	–	–	–
<b>Closing balance</b>	<b>5 403 025</b>	<b>5 000 413</b>	<b>2 580 685</b>

	CSP FY2025	CSP FY2024	CSP FY2023	CSP FY2022
Binomial model inputs as follows:				
Volatility (%)	31	33	89	51
Risk-free rate (%)	7.48	8.01	7.62	4.45
Dividend yield (%)	3.06	2.91	–	–
Expected life (years)	3	3	3	1
Strike price (Rand)	–	–	–	–
Share price (Rand)	4.90	4.09	4.63	5.78
Option price (Rand)	4.47	4.09	4.63	5.78

**23. EMPLOYEE BENEFITS** continued

**Equity-settled 10th Anniversary Employee Share Trust**

The group plan provides for an annual share distribution equal to half of the financial year's capital growth, if any, of the portfolio of City Lodge shares held by the trust. The distributions to eligible employees (employees in the service of the group for at least one year) are equity-settled three months after year-end, provided that the portfolio's market value at year-end exceeds the market value at the previous year-end and the outstanding loan payable. Entitlements are forfeited if the employee leaves the group's service before a distribution takes place. The vesting period is one year. Expected volatility was determined by calculating the historical volatility of the group's share price over the previous two years. Fair value is measured using a European binomial valuation model. The share-based, equity-settled expense for the year ended 30 June 2025 in profit or loss is R28 215 (2024: R56 430).

	2025 Number of shares	2024 Number of shares
Opening balance	2 821 475	2 821 475
Distributions during the year	–	–
<b>Closing balance</b>	<b>2 821 475</b>	2 821 475

	2025		2024	
	Per share	Total portfolio	Per share	Total portfolio
European binomial model inputs as follows:				
Volatility (%)	44	44	45	45
Risk-free rate (%)	8.02	8.02	8.61	8.61
Dividend yield (%)	3.5	3.5	2	2
Expected life (years)	1	1	1	1
Effective strike price (Rand)	12.05	34 000 000	12.05	34 000 000
Share price (Rand)	4.33	12 216 987	4.97	14 022 731
Effective option price (Rand)	0.01	28 215	0.02	56 430

**Equity-settled restricted share plan (RSP)**

Participants become owners of ordinary shares, which were acquired on the market. From the grant date, they will immediately benefit from dividends and have shareholder voting rights, thus providing direct alignment between participants and shareholders. The employee will give no consideration for the grant or settlement of an award. The shares are subject to disposal restrictions until the expiry of a three-year vesting period. The share-based, equity-settled expense for the year was R1 575 280 (2024: R768 550).

	2025		2024	
	Number of shares	Weighted average share price (R)	Number of shares	Weighted average share price (R)
Awarded, but restricted at the beginning of the year	735 606	–	–	–
Awarded during the year	400 123	4.93	735 606	4.75
Forfeited during the year	(77 118)	4.84	–	–
Vested and settled during the year	–	–	–	–
Awarded, but restricted at the end of the year	1 058 611		735 606	

# Notes to the financial statements continued

for the year ended 30 June 2025

R000	GROUP		COMPANY	
	2025	2024	2025	2024
<b>24. NOTES TO THE STATEMENTS OF CASH FLOWS</b>				
<b>24.1 Cash generated by operations</b>				
Profit before taxation	311 408	254 424	325 611	244 639
Adjusted for:				
– depreciation and amortisation	87 934	76 316	78 485	66 859
– depreciation – right-of-use asset	92 399	94 986	81 448	83 908
– dividend income in specie	–	–	(75 000)	–
– loss on remeasurement of financial guarantee liability	–	–	–	1 452
– impairment (reversal)/loss on other receivables	–	–	–	(3 969)
– interest income	(1 807)	(3 341)	(1 774)	(3 305)
– interest expense	7 418	8 791	7 418	4 264
– interest expense - leases	128 809	127 728	118 354	116 277
– profit on the derecognition of lease	(18 404)	–	(18 404)	–
– (profit)/loss on disposal of property, plant and equipment	(41 936)	(138)	239	(138)
– share-based payment (credit)/expense	(1 056)	4 858	(1 056)	4 858
– unrealised losses on foreign exchange	7 912	11 751	180	108
Operating cash flows before working capital changes	572 677	575 375	515 501	514 953
(Increase)/decrease in inventories	(993)	122	(1 285)	284
Increase in trade and other receivables	(2 396)	(3 536)	(6 177)	(5 685)
(Decrease)/increase in trade and other payables	(20 703)	4 739	64 921	30 680
	548 585	576 700	572 960	540 232
<b>24.2 Taxation paid</b>				
Balance underpaid at beginning of year	(8 829)	(2 482)	(8 443)	(1 843)
Current and withholding tax charges	(82 930)	(66 755)	(57 236)	(48 539)
Balance underpaid at end of year	8 204	8 829	4 228	8 443
	(83 555)	(60 408)	(61 451)	(41 939)
<b>24.3 Investment to maintain operations</b>				
Additions to intangible assets				
– software costs	(4 946)	(5 368)	(4 946)	(5 368)
Additions to property, plant and equipment				
– land	(34 894)	–	(34 894)	–
– buildings	(144 691)	(44 861)	(144 691)	(46 651)
– furniture and equipment	(89 402)	(114 621)	(88 946)	(112 230)
	(273 933)	(164 850)	(273 477)	(164 249)
Less: Proceeds on disposal				
– furniture and equipment	–	211	–	211
Less: Capital accruals (included in trade and other payables)	22 374	–	22 374	–
	(251 559)	(164 639)	(251 103)	(164 038)
<b>24.4 Investment to expand operations</b>				
Additions to property, plant and equipment				
– buildings	(7 130)	–	–	–
– furniture and equipment	(1 832)	–	–	–
	(8 962)	–	–	–

R000	GROUP			
	Gross 2025	Net of tax 2025	Gross 2024	Net of tax 2024
<b>25. EARNINGS PER SHARE</b>				
<b>25.1 Headline earnings reconciliation</b>				
Profit used to calculate basic and diluted earnings per share (EPS)		212 979		188 667
Profit on disposal of property, plant and equipment	(42 175)	(29 092)	(138)	(138)
Loss on disposal of property, plant and equipment	239	239	–	–
<b>Headline earnings</b>		<b>184 126</b>		<b>188 529</b>
Unrealised losses on foreign exchange	7 912	7 912	11 751	11 751
Impairment/(impairment reversal) of deferred tax asset	13 750	13 750	(20 000)	(20 000)
Profit on derecognition of leases	(18 404)	(13 435)	–	–
<b>Adjusted headline earnings<sup>1</sup></b>		<b>192 353</b>		<b>180 280</b>
Basic earnings per share (cents) (EPS)				
– undiluted		38.3		33.3
– diluted		38.3		33.2
Headline earnings per share (cents) (HEPS)				
– undiluted		33.2		33.2
– diluted		33.1		33.2
Adjusted headline earnings per share (cents) (Adjusted HEPS)				
– undiluted		34.6		31.8
– diluted		34.6		31.8
<b>25.2 Share statistics</b>				
Total net shares in issue <sup>2</sup>		548 530		559 932
Undiluted weighted average number of shares in issue <sup>2</sup>		555 362		567 391
Dilutive share awards		149		389
Diluted weighted average number of shares in issue <sup>2</sup>		555 511		567 780
Net book asset value per share <sup>3</sup>		230		210

<sup>1</sup> The group uses adjusted headline earnings as a performance measure to determine the underlying profit excluding exceptional items over and above those that are excluded from headline earnings as per the requirements of Circular 1-2023 Headline earnings. This measure is not required by IFRS Accounting Standards but is commonly used in the industry.

<sup>2</sup> Net of treasury shares of 41 987 605 (2024: 38 215 383).

<sup>3</sup> Net book asset value per share is capital and reserves expressed as a percentage of net shares in issue. This is a non-IFRS measure and has been consistently applied from one year to the next.

# Notes to the financial statements continued

for the year ended 30 June 2025

## 26. FINANCIAL INSTRUMENTS

### 26.1 Financial risk management

The group's activities expose it to a variety of financial risks: market risk (including interest rate risk and currency risk), liquidity risk and credit risk. The group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the group.

R000	Financial assets at amortised cost	Financial liabilities at amortised cost	Total	Non-current	Current
<b>26.2 Financial instruments by category</b>					
<b>GROUP</b>					
<b>At 30 June 2025</b>					
<b>Financial assets</b>					
Investments	800	–	800	800	–
Trade receivables	70 372	–	70 372	–	70 372
Other receivables	15 874	–	15 874	–	15 874
Cash and cash equivalents	27 372	–	27 372	–	27 372
<b>Financial liabilities</b>					
Lease liabilities <sup>1</sup>	–	(1 435 963)	(1 435 963)	(1 379 217)	(56 746)
Trade and other payables	–	(197 872)	(197 872)	–	(197 872)
<b>At 30 June 2024</b>					
<b>Financial assets</b>					
Investments	800	–	800	800	–
Trade receivables	69 555	–	69 555	–	69 555
Other receivables	13 947	–	13 947	–	13 947
Cash and cash equivalents	67 316	–	67 316	–	67 316
<b>Financial liabilities</b>					
Lease liabilities <sup>1</sup>	–	(1 417 008)	(1 417 008)	(1 336 312)	(80 696)
Trade and other payables	–	(202 653)	(202 653)	–	(202 653)

<sup>1</sup> Lease liabilities are measured in accordance with IFRS 16.

The group's carrying amount of financial instruments approximates its fair value and therefore no further disclosure is provided in this regard.

26. FINANCIAL INSTRUMENTS continued

R000	Financial assets at amortised cost	Financial liabilities at amortised cost	Total	Non- current	Current
<b>26.2 Financial instruments by category</b>					
<b>COMPANY</b>					
<b>At 30 June 2025</b>					
<b>Financial assets</b>					
Investments	800	-	800	800	-
Trade receivables	68 227	-	68 227	-	68 227
Other receivables	24 281	-	24 281	-	24 281
Cash and cash equivalents	8 323	-	8 323	-	8 323
<b>Financial liabilities</b>					
Lease liabilities <sup>1</sup>	-	(1 327 706)	(1 327 706)	(1 284 433)	(43 273)
Trade and other payables	-	(271 032)	(271 032)	-	(271 032)
<b>At 30 June 2024</b>					
<b>Financial assets</b>					
Investments	800	-	800	800	-
Trade receivables	67 059	-	67 059	-	67 059
Other receivables	20 355	-	20 355	-	20 355
Cash and cash equivalents	28 109	-	28 109	-	28 109
<b>Financial liabilities</b>					
Lease liabilities <sup>1</sup>	-	(1 297 395)	(1 297 395)	(1 227 759)	(69 636)
Trade and other payables	-	(269 742)	(269 742)	-	(269 742)

<sup>1</sup> Lease liabilities are measured in accordance with IFRS 16.

The company's carrying amount of financial instruments approximate its fair value and therefore no further disclosure is provided in this regard.

# Notes to the financial statements continued

for the year ended 30 June 2025

## 26. FINANCIAL INSTRUMENTS continued

### 26.3 Market risk

Market risk is the risk that changes in market rates such as interest rates and foreign exchange rates will affect the group's income and value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimising the return. The group is not significantly exposed to changes in equity prices.

- (a) **Interest rate risk** – fluctuations in interest rates impact the value of short-term investments and financing activities, giving rise to the interest rate risk. The group generally adopts a policy of ensuring that its exposure to changes in interest rates is limited by either fixing the rate or by linking the rate to the average medium term, risk-free rate over the period of the respective loan.

The group manages its interest rate risk by linking the rate to the one-month or three-month Johannesburg Interbank Agreed Rate (JIBAR) rate plus a margin ranging from 1.7% to 2.1% (2024: 1.95% to 2.7%) or the South African prime rate.

The Financial Stability Board has initiated a fundamental review and reform of the major interest rate benchmarks used globally by financial market participants. This review seeks to replace existing interbank offered rates (IBORs) with alternative risk-free rates (ARRs) to improve market efficiency and mitigate systemic risk across financial markets. The South African Revenue Bank (SARB) has indicated its intention to move away from JIBAR and to create an alternative reference rate for South Africa. The SARB has indicated its initial preference for the adoption of the South African Rand Overnight Index Average (ZARONIA) as the preferred unsecured candidate to replace JIBAR in cash and derivative instruments. ZARONIA has been published for the purposes of observing the rate and how it behaves, but has not been formally adopted by the SARB as the successor rate to JIBAR. The exact date for discontinuing JIBAR is currently yet to be determined but December 2026 has been set as the target date. The group has included wording in the finance agreements to cater for the transition to ZARONIA. The all-in rate applicable to group borrowings is not expected to be impacted once the succession becomes effective.

At 30 June, borrowings and bank overdrafts are linked to the various rates. As at 30 June 2025, there were no bank overdrafts, or draw-downs on interest bearing borrowings.

R000	GROUP		COMPANY	
	2025	2024	2025	2024
Linked to three-month JIBAR	-	-	-	-

At 30 June, financial assets are linked to the various rates, the carrying amounts of which are as follows:

R000	GROUP		COMPANY	
	2025	2024	2025	2024
Linked to South African prime rate	27 372	67 316	8 323	28 109
<b>Cash flow sensitivity analysis for variable rate instruments</b>				
A change of 100 basis points in interest rates would have increased/(decreased) profit or loss and equity by the amount shown above. This analysis assumes that all other variables remain constant.				
Financial assets	274	673	83	281

## 26. FINANCIAL INSTRUMENTS continued

### 26.3 Market risk

#### (b) Currency risk

##### Currency risk related to investments in foreign entities

Foreign exchange risk also arises from exposure in the foreign operations due to trading transactions denominated in currencies other than the functional currency. The following significant exchange rates against the ZAR applied during the year:

R000	Average rate		Reporting date closing rate	
	2025	2024	2025	2024
1 Botswana Pula is equivalent to	1.340	1.380	1.333	1.341
1 Mozambican Metical is equivalent to	0.280	0.290	0.278	0.284
1 Namibian Dollar is equivalent to	1.000	1.000	1.000	1.000

##### Currency risk related to foreign transactions

Each group entity operates predominantly within its own common monetary area and therefore the group has no significant currency risk with regards to operational activities. At year-end, all group entities had minimal foreign currency trade receivables or payables. It is not the group's policy to hedge transactions which are denominated in a currency other than the entities' functional currency, which mainly occurs with purchases. A rand denominated intercompany loan exists between City Lodge Hotels (Africa) Proprietary Limited and CLHG Mozambique Lda. There is significant exposure to foreign exchange gains or losses due to the current volatility between the South African Rand (ZAR) and the Mozambique Metical (MZN). This unrealised loss on the intercompany loan amount to R7.9 million (2024: unrealised loss of R11.8 million). The intercompany loan eliminates on consolidation, however, the movement in the unrealised gains and losses remains.

A 1% strengthening of the ZAR against the MZN at 30 June would have decreased profits by R3.6 million (2024: R3.3 million) due to the foreign exchange losses on the foreign-denominated intercompany loan recorded in the functional currency of CLHG Mozambique Lda. This analysis assumes no hedging and that all other variables, in particular interest rates, remain constant. A 1% weakening of the ZAR against the MZN at 30 June would have had the equal but opposite effect, on the basis that all other variables remain constant. This analysis was performed on the same basis for 2024.

#### 26.4 Liquidity risk

Liquidity risk is the risk that the group will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The group's financial liabilities consist of lease liabilities and trade and other payables. Interest bearing borrowings were settled at year end.

To manage liquidity risk, the group will continue to generate operational cash flows and has forecast (refer to accounting policies section – going concern and note 30 for further details) to generate sufficient operating cash flows to meet the requirements of the business and make repayments of the financial liabilities as they become due. The group and company further has the following facilities available should it require additional funds to meet its obligations.

R000	2025	2024
<b>Banking Facilities</b>		
Debt facilities	600 000	600 000
Overdraft facilities	115 000	115 000
Total facilities	715 000	715 000
Less: Drawn down portion of debt facilities	–	–
Total undrawn facilities	715 000	715 000

# Notes to the financial statements continued

for the year ended 30 June 2025

## 26. FINANCIAL INSTRUMENTS continued

### 26.4 Liquidity risk continued

The group's debt funding is subject to debt covenants which are reviewed on an ongoing basis.

The table below analyses the financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date:

R000	Lease liabilities <sup>1</sup>	Trade and other payables	Total
<b>GROUP</b>			
<b>At 30 June 2025</b>			
<b>Financial liabilities</b>			
Carrying amount	1 435 963	197 872	1 633 835
Contractual cash flows	2 996 301	197 872	3 194 173
Less than one year	182 926	197 872	380 798
Year two	172 649	–	172 649
Year three	182 681	–	182 681
Years four to five	369 607	–	369 607
More than five years	2 088 438	–	2 088 438
<b>At 30 June 2024</b>			
<b>Financial liabilities</b>			
Carrying amount	1 417 008	202 653	1 619 661
Contractual cash flows	2 547 956	202 653	2 750 609
Less than one year	203 380	202 653	406 033
Year two	175 276	–	175 276
Year three	168 399	–	168 399
Years four to five	356 376	–	356 376
More than five years	1 644 525	–	1 644 525
<b>COMPANY</b>			
<b>At 30 June 2025</b>			
<b>Financial liabilities</b>			
Carrying amount	1 327 706	271 032	1 598 738
Contractual cash flows	2 850 584	271 032	3 121 616
Less than one year	160 118	271 032	431 150
Year two	148 372	–	148 372
Year three	157 866	–	157 866
Years four to five	338 465	–	338 465
More than five years	2 045 763	–	2 045 763
<b>At 30 June 2024</b>			
<b>Financial liabilities</b>			
Carrying amount	1 297 395	269 742	1 567 137
Contractual cash flows	2 380 371	269 742	2 650 113
Less than one year	181 851	269 742	451 593
Year two	152 359	–	152 359
Year three	144 006	–	144 006
Years four to five	316 329	–	316 329
More than five years	1 585 826	–	1 585 826

<sup>1</sup> In the current year, the time band that was previously disclosed as "Between one and five years" has been disaggregated into three time bands, namely year two, year three and years four to five to improve liquidity disclosure. The comparative has been re-presented for comparability purposes.

## 26. FINANCIAL INSTRUMENTS continued

### 26.5 Credit risk

Credit risk is the risk of financial loss to the group if a counterparty to a financial asset fails to meet its contractual obligations.

#### Trade receivables

Trade receivables comprise mainly travel agents and large corporates. Management has a credit policy in place with negotiated credit terms of 30 days. The exposure to credit risk is monitored on an ongoing basis with credit evaluations being performed on all new travel agents or corporates requiring credit. At 30 June 2025, no single customer was in debt in excess of 10% of the total trade receivables balance. The group applies the IFRS 9 simplified approach in measuring ECLs which utilises a lifetime expected loss allowance for all trade receivables.

The expected loss rates are based on payment profiles of sales over a period of 12 months and the corresponding historical credit losses experienced over an average of a 36 month period. The group has established a provision matrix that is based on its historical credit losses experience and may be adjusted for specific forward-looking factors affecting the ability of the customers to settle the receivables as well as the payment history of the customer and historical write-offs in relation to the customer. We have considered the impact of macroeconomic factors on the recoverability of trade receivables and have incorporated the factors into the determination of the historical loss rates.

A customer will be considered to be in default when it is more than 30 days past due. The outstanding balance that is unrecoverable will be fully provided for where:

- The customer is unlikely to pay its credit obligations to the group in full;
- The customer is more than 90 days past due;
- Management has assessed the customer as being in financial distress;
- The customer has been placed under business rescue and has no reasonable expectation of recovery.

The group assumes that the credit risk on trade receivables has increased significantly if it is more than 30 days past due. The group identifies specific credit loss allowances if these receivables are greater than 365 days.

Travel agents comprise the largest proportion of the group's trade receivables. The loss allowance for trade receivables has increased from the prior year due to the increase in the trade receivables outstanding in the current period. There has been no significant new debtors nor any significant changes to the credit risk profile.

An immaterial loss allowance has been raised on cash and cash equivalents as the group's bankers have a BB- credit rating and are considered a reputable financial institution, used for investing and cash-handling purposes. The probability of default of these items has been assessed as close to nil.

Amounts due by subsidiaries, included in other receivables, has been separately assessed for ECL (refer to note 7).

R000	GROUP		COMPANY	
	2025	2024	2025	2024
Other receivables	15 874	13 947	24 281	20 355
Trade receivables	70 372	69 555	68 227	67 059
Investments	800	800	800	800
Cash and cash equivalents	27 372	67 316	8 323	28 109
	<b>114 418</b>	151 618	<b>101 631</b>	116 323
<b>Trade receivables by type of customer</b>				
Travel agents	58 234	53 196	56 358	50 803
Large corporates and companies	12 138	16 359	11 869	16 256
	<b>70 372</b>	69 555	<b>68 227</b>	67 059
<b>Trade receivables by country</b>				
South Africa	68 227	67 059	68 227	67 059
Botswana	1 555	1 889	–	–
Namibia	590	607	–	–
	<b>70 372</b>	69 555	<b>68 227</b>	67 059

# Notes to the financial statements continued

for the year ended 30 June 2025

## 26. FINANCIAL INSTRUMENTS continued

### 26.5 Credit risk continued

The loss allowance as at 30 June was determined as follows for trade receivables:

R000	Current	30 to 60 days	61 to 90 days	More than 90 days	More than 120 days	Total
<b>At 30 June 2025</b>						
<b>GROUP</b>						
Expected loss rate (%)	0.44	0.42	3.41	100.00	61.71	4.01
Gross carrying amount – trade receivables	44 493	22 597	2 292	381	3 546	73 309
Lifetime ECLs	195	95	78	381	2 188	2 937
<b>COMPANY</b>						
Expected loss rate (%)	0.37	0.35	2.84	100.00	59.33	3.69
Gross carrying amount – trade receivables	42 736	22 214	2 218	332	3 339	70 839
Lifetime ECLs	158	78	63	332	1 981	2 612
<b>At 30 June 2024</b>						
<b>GROUP</b>						
Expected loss rate (%)	0.77	1.02	6.24	100.00	100.00	3.29
Gross carrying amount – trade receivables	54 746	13 403	2 095	675	1 004	71 923
Lifetime ECLs	422	136	131	675	1 004	2 368
<b>COMPANY</b>						
Expected loss rate (%)	0.79	1.05	6.57	100.00	100.00	2.55
Gross carrying amount – trade receivables	52 866	12 895	1 980	593	478	68 812
Lifetime ECLs	417	135	130	593	478	1 753
<b>Movement in loss allowance</b>						
R000	<b>GROUP</b>		<b>COMPANY</b>			
	<b>2025</b>	2024	<b>2025</b>	2024		
The movement in the loss allowance in respect of trade receivables during the year was as follow:						
Opening balance	2 368	4 065	1 753		3 642	
Loss allowance raised/(reversed)	571	(1 697)	859		(1 889)	
Foreign exchange movement	(2)	–	–		–	
<b>Closing balance</b>	<b>2 937</b>	2 368	<b>2 612</b>		1 753	

## 26. FINANCIAL INSTRUMENTS *continued*

### 26.6 Capital management

The group's objectives when managing capital are to safeguard the group's ability to continue as a going concern and provide optimal returns for shareholders through maintaining an optimal capital structure.

The group defines capital as equity funding provided by shareholders and debt funding from external parties. Shareholder funding comprises stated capital, treasury shares, retained earnings and other reserves as disclosed in the statement of financial position. Debt funding comprises loans from banking institutions and net debt represents gross debt net of all cash reserves.

The group comfortably met the covenants for each measurement period in the 2025 and 2024 financial years.

The financial covenants comprise:

- Interest cover ratio to be greater than or equal to three times;
- Net debt to EBITDA ratio equal to 2.75 times or less; and
- Loan to value ratio is required to be not more than 60%.

As at 30 June 2025 the actual covenant ratios were met as follow:

- Interest cover of 84 times;
- Net debt: EBITDA of (0.04) times; and
- Loan to value ratio of 0.0%.

The directors monitor the covenants on a quarterly basis when results are reviewed and cash flow forecasts are presented by management.

Based on the current and forecast trading performance, the directors expect that the company will meet the covenant levels for the next 12 months.

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## 27. RELATED PARTIES

### 27.1 Identity of related parties with whom material transactions have occurred

Budget Hotels Proprietary Limited, City Lodge Hotels (Africa) Proprietary Limited, City Lodge Hotels (Botswana) Proprietary Limited, Courtyard Management Company Proprietary Limited, Gallic Courtyard (Arcadia) Share Block Proprietary Limited, Gallic Courtyard (Bruma Lake) Share Block Proprietary Limited, Gallic Courtyard (Rosebank) Share Block Limited, Gallic Courtyard (Sandown) Share Block Limited, Property Lodging Investments Proprietary Limited, are subsidiaries of the company. Newshelf 935 (RF) Proprietary Limited, Newshelf 892 Proprietary Limited and Vuwa Hotels Proprietary Limited are subsidiaries of the company, and are also, together with the City Lodge 10th Anniversary Employee Share Trust, aggregated in the company results, as City Lodge Hotels Limited is the sponsor entity.

The company also has an indirect shareholding in City Lodge Holdings (Share Block) Proprietary Limited, City Lodge Hotels (Namibia) Proprietary Limited, and CLHG Mozambique Limitada, which is ultimately consolidated in the group.

All of the above entities are related parties to the company. Other than the directors' remuneration (refer to note 18) and information below, there are no other related parties with whom material transactions have taken place.

### 27.2 Types of related-party transactions

Licence fees, which are intellectual property charges for the use of the group's brands, and turnover based lease rental payments have been made, dividends in specie and interest has been received from/paid to certain related parties.

Courtyard Management Company Proprietary Limited is the management company of the Courtyard Hotels.

Budget Hotels Proprietary Limited and Property Lodging Investments Proprietary Limited lease land to City Lodge Hotels Limited based on turnover. These are treated as variable lease payments.

The Company has provided letter of support in the form of loan facilities to City Lodge Hotels (Botswana) Proprietary Limited to the amount of R12 million. The facilities remained undrawn as at 30 June 2025.

# Notes to the financial statements continued

for the year ended 30 June 2025

## 27. RELATED PARTIES continued

R000	COMPANY	
	2025	2024
<b>27.3 Material related-party transactions</b>		
<b>Subsidiary companies</b>		
<b>Dividend in specie from related parties</b>		
Property Lodging Investments Proprietary Limited	75 000	–
<b>Licence fees paid to related parties</b>		
Courtyard Management Company Proprietary Limited	6 290	5 853
<b>Licence fees received from related parties</b>		
Courtyard Management Company Proprietary Limited	1 256	1 186
City Lodge Hotels (Botswana) Proprietary Limited	1 198	788
City Lodge Hotels (Namibia) Proprietary Limited	2 273	2 032
	<b>4 727</b>	<b>4 006</b>
<b>Lease payments to related parties</b>		
Budget Hotels Proprietary Limited	1 372	1 264
Property Lodging Investments Proprietary Limited	37 860	39 073
	<b>39 232</b>	<b>40 337</b>
<b>Interest and commitment fees paid to related parties</b>		
City Lodge Hotels (Africa) Proprietary Limited	–	3 956
<b>27.4 Amounts due to subsidiaries</b>		
Budget Hotels Proprietary Limited	19 854	18 881
Property Lodging Investments Proprietary Limited	41 629	41 679
City Lodge Holdings (Share Block) Proprietary Limited	4 065	4 065
City Lodge Hotels (Africa) Proprietary Limited	1 541	–
Courtyard Management Company Proprietary Limited	15 341	15 910
Gallic Courtyard (Arcadia) Share Block Proprietary Limited	1	1
Gallic Courtyard (Bruma Lake) Share Block Proprietary Limited	3	3
Gallic Courtyard (Rosebank) Share Block Limited	4	4
Gallic Courtyard (Sandown) Share Block Limited	3	3
	<b>82 441</b>	<b>80 546</b>

R000	COMPANY			
	2025		2024	
<b>27 RELATED PARTIES</b> continued				
<b>27.5 Amounts due by subsidiaries</b>				
City Lodge Hotels (Botswana) Proprietary Limited	<b>6 818</b>		5 258	
City Lodge Hotels (Namibia) Proprietary Limited	<b>4 189</b>		4 148	
	<b>11 007</b>		9 406	
The amounts due to and by subsidiaries are unsecured, interest-free and repayable on demand.				
R000	GROUP		COMPANY	
	2025	2024	2025	2024
<b>27.6 Transactions with key management</b>				
Key management is defined as executive directors.				
Key management compensation is as follows (refer to note 18):				
– short-term employee benefits, including salaries and bonuses	<b>17 033</b>	17 545	<b>17 033</b>	17 545
– equity compensation benefits	<b>(1 434)</b>	2 248	<b>(1 434)</b>	2 248
	<b>15 599</b>	19 793	<b>15 599</b>	19 793
– short term incentive bonus accrual	<b>(1 539)</b>	(3 138)	<b>(1 539)</b>	(3 138)
	<b>14 060</b>	16 655	<b>14 060</b>	16 655

# Notes to the financial statements continued

for the year ended 30 June 2025

## 28. CONTINGENT LIABILITIES

The group has no contingent liabilities as at 30 June 2025.

## 29. SUBSEQUENT EVENTS

The latest country specific US Tariffs announcement was effective as from 1 August 2025. A 30% import tariff has been imposed on all South African goods exported to the US. The direct impact on the company is not significant as the company does not trade with any party within the US and neither does it have significant suppliers, vendors or customers within the US. However, the company may be indirectly impacted given the overall impact the tariff increases will have on the South African economy.

The board has approved a final ordinary dividend of 9.0 cents per ordinary share (7.2 cents net after deducting withholding tax) in respect of the year ended 30 June 2025 (2024: 9.0 cents). The source of the dividend will be from distributable reserves. The dividend will be payable on 6 October 2025 to shareholders registered in the Company's securities register on 3 October 2025.

Other than the above, the directors are not aware of any matter or circumstance arising since the reporting date and the date of this report.

## 30. LIQUIDITY AND FUNDING

The group and company completed the refinancing of access to three secured facilities with its lenders, which provides total debt facilities of R600.0 million, and overdraft facilities of R115.0 million. The debt facilities and overdraft facilities remain undrawn at the reporting date. The loan facilities package offers:

- Three debt facilities, all of which are revolver facilities, maturing between June 2028 and June 2030.
- Additional access to a R300.0 million accordion facility which has been included in the loan agreements, but is subject to the funder's credit committee approval on application.

The group has operating cash flows of R247.1 million (2024: R299.8 million) and continues to generate positive cash flows which will be directed to the planned reinvestment in the group's capital refurbishment programme and returning cash to its shareholders through dividends and share buy-backs.

## 31. GOING CONCERN

The consolidated and separate financial statements for the year ended 30 June 2025 are prepared on a going concern basis. Based on cash flow forecasts, which has considered the projected performance of the group in response to the pressures from global socio-economic forces, restricted consumer spending trends, planned investment in capital refurbishments, sustainability and resiliency infrastructure initiatives, and the cash and funding resources available, the directors believe that the group and company have sufficient resources to continue operations as a going concern in a responsible and sustainable manner.

The group has made a profit for the year ended 30 June 2025 of R213.0 million (2024: R188.7 million). As at 30 June 2025, the group has net cash and cash equivalent of R27.4 million (2024: R67.3 million). Even though current liabilities exceed current assets by R167.7 million (2024: R152.6 million), the group has adequate liquidity (refer to note 30) to meet its obligations as they become due, over the next twelve months from the reporting date.

The company has made a profit for the year ended 30 June 2025 of R267.6 million (2024: R180.6 million). The profit for the year was driven by stable trading performance. As at 30 June 2025, the company has net cash and cash equivalent of R8.3 million (2024: R28.1 million). Current liabilities exceed current assets by R258.6 million (2024: R274.9 million). Current liabilities include R82.4 million (2024: R80.5 million) of amounts due to subsidiaries, and therefore these are not obligations external to the group. The company has adequate liquidity (refer to note 30) to meet its obligations as they become due over the next twelve months from the reporting date.

All covenants during the measurement periods have been met during the year. The group monitors the covenants on a quarterly basis and does not expect to breach covenants at each of the measurement periods over the next 12 months from reporting date.

### 32. STANDARDS AND AMENDMENTS EFFECTIVE FOR THE FIRST TIME FOR JUNE 2025 YEAR ENDS

The following new standards, and amendments to existing standards have been published that are effective for the group and the company's accounting period ending on 30 June 2025.

#### **Amendments to IAS 1 *Presentation of financial statements (classification of liabilities as current or non-current)***

The amendment clarifies that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. IAS 1 as amended must be applied for financial years commencing on or after 1 January 2024.

The group has not been impacted by the amendment as the group disclosure is aligned to the requirements of IAS 1.

#### **Amendments to IAS 1 *Presentation of financial statements - non-current liabilities with covenants***

The amendments apply to the classification of liabilities with loan covenants as current or non-current. If an entity has the right to defer settlement of a liability for at least 12 months after the reporting period, but subject to conditions, then the timing of the required conditions impacts whether the entity has a right to defer settlement. If the conditions must be complied with at or before the reporting date, then they affect whether the rights to defer settlement exists at reporting date. However, if the entity is only required to comply with the conditions after the reporting period, then the conditions do not affect whether the right to defer settlement exists at reporting date. If an entity classifies a liability as non-current when the conditions are only required to be met after the reporting period, then additional disclosures are required to enable the users of annual financial statements to understand the risk that the liabilities could become repayable within 12 months after the reporting period.

The group has not been impacted by the amendment.

#### **Amendments to IFRS 16 *Lease liability in a sale and leaseback***

Amendments to IFRS 16 Leases impact how a seller-lessee accounts for variable lease payments that arise in a sale-and-leaseback transaction. The amendments introduce a new accounting model for variable payments and will require seller-lessees to reassess and potentially restate sale-and-leaseback transactions entered into since 2019. IFRS 16 amendment must be applied for financial years commencing on or after 1 January 2024.

The group has not been impacted by the amendment.

#### **Amendments to IAS 7 and IFRS 7 *Supplier finance arrangements***

The amendments introduce additional disclosure requirements for companies that enter into these arrangements. However, they do not address the classification and presentation of the related liabilities and cash flows. This amendment must be applied for financial years commencing on or after 1 January 2024.

The group has not been impacted by the amendment.

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### 33. NEW IFRS STANDARDS AND INTERPRETATIONS EFFECTIVE FOR YEARS ENDED AFTER 30 JUNE 2025

At the date of authorisation of these financial statements for the year ended 30 June 2025, the following standards and interpretations were in issue but have not been early adopted by the group:

#### **Amendments to IAS 21 *Lack of exchangeability***

The amendments in Lack of Exchangeability amend IAS 21 to:

- specify when a currency is exchangeable into another currency and when it is not,
- specify how an entity determines the exchange rate to apply when a currency is not exchangeable,
- require the disclosure of additional information when a currency is not exchangeable.

IAS 21 amendments must be applied for financial years commencing on or after 1 January 2025.

The group will apply the amendment from 1 July 2025. This is expected to have a disclosure impact, however it is not expected to have a material financial impact.

#### **Amendment to IFRS 9 and IFRS 7 *Classification and measurement of financial instruments***

The amendments in classification and measurement of financial instruments amend IFRS 9 and IFRS 7 to:

- clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and
- make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income.

IFRS 9 and IFRS 7 amendment must be applied for financial years commencing on or after 1 January 2026, with early adoption available.

The group will apply the amendment from 1 July 2026. This is not expected to have a material financial impact.

# Notes to the financial statements continued

for the year ended 30 June 2025

## 33. NEW IFRS STANDARDS AND INTERPRETATIONS EFFECTIVE FOR YEARS ENDED AFTER 30 JUNE 2025

continued

### **New accounting standard – IFRS 18 *Presentation and disclosure in financial statements***

IFRS 18 replaces IAS 1 Presentation of Financial Statements while carrying forward many of the requirements in IAS 1.

The objective of IFRS 18 is to set out requirements for the presentation and disclosure of information in general purpose financial statements to help ensure they provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses.

IFRS 18 brings three categories of income and expenses, two income statement subtotals and one single note on management performance measures. These, combined with enhanced disaggregation guidance, set the stage for better and more consistent information for users – and will affect all companies.

The new IFRS 18 standard must be applied for financial years commencing on or after 1 January 2027 and applied retrospectively. The group will implement the new standard from 1 July 2027 and is yet to assess the possible impact on the consolidated position of performance of the group.

### **New accounting standard – IFRS 19 *Subsidiaries without public accountability: disclosure***

The objective of the newly issued IFRS 19 in May 2024 is to specify the disclosure requirements an entity is permitted to apply instead of the disclosure requirements in other IFRS Accounting Standards

An entity electing to apply IFRS 19 applies the requirements in other IFRS Accounting Standards, except for the disclosure requirements. Instead of the disclosure requirements, the entity applies the requirements in IFRS 19.

The new IFRS 19 standard must be applied for financial years commencing on or after 1 January 2027. The group will implement the new standard from 1 July 2027 and is yet to assess the possible impact on the consolidated position of performance of the group.

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### 34. SEGMENT ANALYSIS

The segment information has been prepared in accordance with IFRS 8 Operating Segments which defines the requirements for the disclosure of the financial information of an entity's operating segments. The measurement policies the group uses for segment reporting under IFRS 8 are the same as those used in its financial statements.

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The CODM has been identified as the group's CEO and executive committee. The CODM reviews the group's internal reporting by hotel brand in order to assess performance and allocate resources. Management has determined the operating segments based on the reports reviewed by the CODM which are used to make strategic decisions. The CODM assesses the performance of the operating segments based on revenue, EBITDAR (Earnings before interest, income tax, depreciation, amortisation, rent and exceptional items), and Adjusted EBITDAR (EBITDAR excluding unrealised gains or losses on foreign exchange). The measure also excludes all headline earnings and adjusted headline earnings adjustments. Finance income and finance costs are not included in the results for each operating segment, as the cash and debt position is managed at a group level.

The CODM considers the business from both a hotel brand and geographical basis. The following are the six reportable segments identified and monitored by the CODM:

- Courtyard Hotels is the group's luxury brand comprising five hotels;
- City Lodge Hotels is the group's upper mid-scale brand comprising of 18 hotels (2024: 19 hotels);
- Town Lodge is the group's mid-scale brand comprising of 12 hotels;
- Road Lodge is the group's economy brand comprising of 23 hotels;
- Rest of Africa consists of the group's non-South African hotels division which owns, operates and manages hotels in Botswana, Mozambique and Namibia; and
- Central Office consists of the group's management division which manages all the hotels.

#### 2025

Rm	Revenue <sup>1</sup>	EBITDAR <sup>2</sup>	Material expenses included in EBITDAR					Other operating costs <sup>4</sup>
			Adjusted EBITDAR	Salaries and wages	Property costs	Food and beverage costs	Rooms related costs	
South Africa	1 903	721	721	(479)	(181)	(143)	(196)	(190)
Courtyard Hotel	183	59	59	(52)	(17)	(18)	(19)	(20)
City Lodge Hotel	1 028	450	450	(234)	(89)	(73)	(103)	(83)
Town Lodge	296	83	83	(89)	(29)	(26)	(35)	(35)
Road Lodge	396	129	129	(104)	(46)	(26)	(39)	(52)
Rest of Africa <sup>3</sup>	94	14	22	(25)	(5)	(8)	(8)	(27)
Central Office	–	(94)	(154)	(85)	(1)	–	–	(84)
	1 997	641	589	(589)	(187)	(151)	(204)	(301)
Margin		32.1 %	29.5 %					

#### 2024

South Africa	1 843	705	705	(453)	(160)	(139)	(217)	(180)
Courtyard Hotel	169	50	50	(47)	(17)	(16)	(19)	(20)
City Lodge Hotel	996	433	433	(227)	(74)	(71)	(119)	(77)
Town Lodge	296	87	87	(83)	(29)	(27)	(38)	(34)
Road Lodge	382	135	135	(96)	(40)	(25)	(41)	(49)
Rest of Africa <sup>3</sup>	88	13	24	(23)	(5)	(7)	(9)	(23)
Central Office	–	(144)	(144)	(77)	–	–	–	(79)
	1 931	574	586	(553)	(165)	(146)	(226)	(282)
Margin		29.8 %	30.4 %					

<sup>1</sup> All revenue and income from hotel operations are derived from external customers. No one customer contributes more than 10% to the group's total revenue.

<sup>2</sup> Refer to reconciliation of operation profit/loss to EBITDAR in note 17.

<sup>3</sup> Adjusted EBITDAR for Rest of Africa excludes unrealised loss on foreign exchange of R7.9 million (2024: R11.8 million).

<sup>4</sup> Other operating costs are included in the current year, as well as for the prior year for comparison purposes, in line with the requirements of IFRS 8 and the conclusions reached by the related IFRIC agenda decision.

#### Geographical information

Rm	South Africa		Rest of Africa		Total	
	2025	2024	2025	2024	2025	2024
Property, plant and equipment	1 577	1 397	359	366	1 936	1 763
Right-of-use assets	848	845	61	72	909	917

# Shareholders' analysis

as at 30 June 2025

## SHAREHOLDER SPREAD

	2025	
<b>Beneficial shareholders with holdings exceeding 3%</b>	<b>Number of shares owned</b>	<b>% of issued shares</b>
Enderle SA (Pty) Ltd	54 358 553	9.21
Entertainment Holdings (Pty) Ltd	50 001 729	8.47
Allan Gray Clients	49 130 524	8.32
H4 Collective Investments	32 630 140	5.53
Peresec	23 680 863	4.01
Government Employees Pension Fund	20 034 556	3.39
Tsogo Sun Investments (Pty) Ltd	17 993 661	3.05
<b>Total</b>	<b>247 830 026</b>	<b>41.98</b>

	2024	
<b>Beneficial shareholders with holdings exceeding 3%<sup>1</sup></b>	<b>Number of shares owned</b>	<b>% of issued shares</b>
Enderle SA	54 358 553	9.09
Entertainment Holdings	50 001 729	8.36
Allan Gray Clients	48 853 873	8.17
H4 Collective Investments	25 064 064	4.19
Bryte Insurance Company	22 593 390	3.78
Government Employees Pension Fund	20 751 118	3.47
Tsogo Sun Investments	17 993 661	3.01
<b>Total</b>	<b>239 616 388</b>	<b>40.07</b>

	2025	
<b>Fund managers with a holding greater than 3% of the issued shares</b>	<b>Number of shares</b>	<b>% of issued capital</b>
Allan Gray Clients	82 257 245	13.93
Abax Investments	39 321 329	6.66
Peregrine Capital	34 734 378	5.88
<b>Total</b>	<b>156 312 952</b>	<b>26.47</b>

	2024	
<b>Fund managers with a holding greater than 3% of the issued shares</b>	<b>Number of shares</b>	<b>% of issued capital</b>
Allan Gray Clients	84 538 293	14.13
Peregrine Capital	27 377 415	4.58
<b>Total</b>	<b>111 915 708</b>	<b>18.71</b>

	2025			
Shareholder spread	Number of holders	% of total shareholders	Number of shares	% of issued capital
1 – 1 000 shares	7 915	58.45	1 967 447	0.33
1 001 – 10 000 shares	3 604	26.62	14 101 374	2.39
10 001 – 100 000 shares	1 649	12.18	49 443 040	8.37
100 001 – 1 000 000 shares	299	2.21	87 515 473	14.82
1 000 001 shares and above	74	0.54	437 490 198	74.09
<b>Total</b>	<b>13 541</b>	<b>100.00</b>	<b>590 517 532</b>	<b>100.00</b>

	2024			
Shareholder spread	Number of holders	% of total shareholders	Number of shares	% of issued capital
1 – 1 000 shares	7 789	51.89	2 262 595	0.38
1 001 – 10 000 shares	4 649	30.97	18 920 887	3.16
10 001 – 100 000 shares	2 150	14.32	63 724 632	10.65
100 001 – 1 000 000 shares	347	2.31	98 539 378	16.47
1 000 001 shares and above	77	0.51	414 699 340	69.34
<b>Total</b>	<b>15 012</b>	<b>100.00</b>	<b>598 146 832</b>	<b>100.00</b>

## PUBLIC AND NON-PUBLIC SHAREHOLDINGS

	2025			
Shareholder spread	Number of holders	% of total shareholders	Number of shares	% of issued capital
Non-public shareholders*	22	0.16	64 330 028	10.89
– Directors	8	0.06	6 034 070	1.02
– Other	14	0.10	58 295 958	9.87
Public shareholders	13 519	99.84	526 187 504	89.11
<b>Total</b>	<b>13 541</b>	<b>100.00</b>	<b>590 517 532</b>	<b>100.00</b>

	2024			
Shareholder spread	Number of holders	% of total shareholders	Number of shares	% of issued capital
Non-public shareholders*	80	0.54	64 804 482	10.83
– Directors	7	0.05	5 114 043	0.85
– Other <sup>1</sup>	73	0.49	59 690 439	9.98
Public shareholders	14 932	99.46	533 342 350	89.17
<b>Total</b>	<b>15 012</b>	<b>100.00</b>	<b>598 146 832</b>	<b>100.00</b>

\* Non-public, as defined in terms of the JSE Listings Requirements.

<sup>1</sup> Due to a delay in the transfer of CSP and RSP participant shares from the respective City Lodge holding account to the participants' restricted accounts held with the company's appointed broker. This is reflected in the number of associates recorded within 'Other'. The transfer to the participants holding accounts was largely completed in July 2024.

# Shareholders' analysis continued

as at 30 June 2025

## GEOGRAPHIC SPLIT OF BENEFICIAL SHAREHOLDERS

Region	2025	
	Total shareholding	% of issued capital
South Africa	569 905 818	96.51
Rest of World	11 210 823	1.90
United States	3 959 525	0.67
Namibia	2 606 111	0.44
United Kingdom	2 835 255	0.48
<b>Total</b>	<b>590 517 532</b>	<b>100.00</b>

Region	2024	
	Total shareholding	% of issued capital
South Africa	575 332 585	96.19
Rest of world	12 628 844	2.11
United States of America	5 576 522	0.93
Namibia	2 807 859	0.47
United Kingdom	1 801 022	0.30
<b>Total</b>	<b>598 146 832</b>	<b>100.00</b>

# Administration

## **CITY LODGE HOTELS LIMITED**

Incorporated in the Republic of South Africa  
Registration number: 1986/002864/06  
Share code: CLH  
ISIN: ZAE000117792

## **DIRECTORS**

B T Ngcuka (Chairman), A C Widegger (Chief executive officer)\*,  
S J Enderle#, G G Huysamer, F W J Kilbourn (Deputy chairman), A R Lapping,  
M S P Marutlulle, , M G Mokoka, D Nathoo (Chief financial officer)\*, L G Siddo (Chief operating officer)\*  
*\*Executive # South African and Swiss*

## **TRANSFER SECRETARIES**

Computershare Investor Services Proprietary Limited  
Rosebank Towers  
15 Biermann Avenue  
Rosebank, 2196

## **COMPANY SECRETARY**

M C van Heerden

## **SPONSOR**

Nedbank Corporate and Investment Banking, a division of Nedbank Limited