

8 September 2020

Weathering the Storm

We, at Gondwana, have been in the thick of the Covid-19 storm for around 6 months now. During this time, we have lost more than 95% of our income and we continue to lose millions of Namibian dollars every month. We cannot continue like this.

If Gondwana collapses, then 1100 employees (with all their dependants) will lose their livelihoods. Our communities will lose their joint-venture partnerships, our shareholders will lose their investments, our suppliers will lose a valued customer and the world will lose a great company. To ensure that this does not happen, we must protect our beloved company, Gondwana, as best we can.

I would like to share with you all what we have achieved, against all odds, during the last six months:

- We have not retrenched a single employee because of this crisis;
- We have protected every employee's take-home pay;
- We have not touched guests' deposits that have been received;
- We have paid back all deposits if and when requested;
- We are grateful that we have received the bulk of our National Training Authority claims.
- We have restructured our financing model and are in the process of restructuring our banking facilities to accommodate the ongoing expenses and mitigate the almost complete loss of income as far as we can responsibly do.

We have achieved these despite the following set-backs:

- We had to waive the bulk of our cancellation fees;
- We have not been paid by all tour operators for services that we have rendered prior to the lock down;
- We have up to date hereof not received a cent from government regarding the protection of employment scheme announced in April;
- We have not received a cent of our N\$9,2 million VAT claims;
- We have not received a cent from Hollard our insurance company despite lodging a claim in April which up to date hereof they have not accepted or denied.
- We lost our best two weeks in terms of bookings (since lockdown commenced in March this year) over the August school holidays because of the recent Windhoek lockdown.

Extensive compromises have been made by all our stakeholders. Our shareholders did not receive a dividend this year. All our board members have given up their board sitting fees. These people have not only supported us from day one, they are also working extremely hard to save this company, and they are doing it free of charge.

We have cut costs to the bone and our biggest monthly expense is salaries. You can all see what is happening, you can all see that we simply cannot continue like this. We are engaging

directly with government to try and get our borders open as soon as possible for our visitors to return.

Our focus remains to protect Gondwana and to protect jobs, but unfortunately we have reached a point where we simply no longer have a choice but to cut basic salaries. From this month (September) the four executive directors (Alain, Manni, Jaco and myself) will take a 40% pay cut. That will take our total cut to over 50%.

All other employees will also have to take a 25% pay cut from October. For September you will still receive the salary as per last month. This 25% pay cut will remain in place until business returns to a point where we can afford to pay full salaries again. If borders open with practical and tourism friendly protocols and we see demand for travel to Namibia then this pay-cut could be only for a few months, but for now we need to ensure that we have all the tools to protect Gondwana and all its stakeholders.

It is with great sadness and almost a sense of defeat that we have to make this announcement. We will continue to fight for our Gondwana and for each and every one of you.

As a wise man said the other day: "We cannot wait for this storm to pass, we will have to learn to dance in the rain".

Let us stand strong and let us stand together. Let us weather this storm together as we wait for the rainbows to once again brighten our skies.

With sadness and love
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