

# Trading Update for the Third Quarter (FY2023)

Padenga Holdings Limited (Padenga) is pleased to issue its trading update for the third quarter ended 30 September 2023.

## Trading Environment

The nine months under review continued to be challenging. Management continues to closely monitor the environment, engage the relevant authorities and implement relevant measures in place to adequately sustain the business operations.

## OPERATIONAL PERFORMANCE

### Mining Operations

Gold sales in the nine months to 30 September 2023 rose by 12% in comparison to the same period last year (1 664.8kgs vs 1 480kgs). This was achieved on the back of an increase in tonnes milled and mill feed grade. The tonnes milled increased by 5% to 1,332,973mt from 1,267,421mt recorded for the nine months to 30 September 2022. This was mainly due to a positive growth in plant throughput at Eureka Mine, achieved through optimization as well as the addition of a new mill at Pickstone Peerless Mine. Mill feed grade also registered a 6% increase (1.42 g/mt vs 1.34g/mt).

The initial phase of the Pickstone underground project was completed at the end of August 2023, with commercial hoisting of ore commencing in September 2023.

### Crocodile Operations

The Nile crocodile operations recorded a 30% increase in skin harvest volumes during the nine months ended 30 September 2023, compared to prior period (24,115 vs 18,530). This is an indication that strategies to improve skin quality over the past two years are yielding improved performance. Skin sales in the nine month period at 30,586 skins were 77% above the 17,319 skins sold for the same period last year. Skins sold include stock skins from prior years which are expected to be fully disposed of by the end of the current financial year releasing cash previously held up in stock over an extended period of time.

The annual rehabilitation of crocodile pens to improve skin quality was successfully completed in the second quarter of the year.

Installation of the phase 3 solar array at the northern farms to bring the solar plant operating capacity to a total of 1.2MW has been concluded with commissioning works at an advanced stage and set for completion by the end of the financial year.

### Market outlook

Looking forward, the company plans to increase gold production by investing in the Pickstone underground expansion and in both processing plants to enhance grade, reduce operating costs and improve recoveries. The gold price outlook appears firm for the remainder of the year with prices having recovered after the reporting date.

The crocodile operation continues on its post Covid-19 recovery and is producing high quality skins that are consistent with dynamic premium market expectations. The business is on course to fulfil its contract volumes to its primary customer within the current contract period. Trading terms for the succeeding season are already in place, thus ensuring viability of the business in the short to medium term. The exotic skins luxury market continues to withstand the turbulent global economic environment, and Padenga maintains its position as a significant player in this value chain and is expanding its customer base.

The Group's Management continues on its drive to reduce borrowings and related interest costs to sustainable levels and to improve profitability, thus generating shareholder value growth.

Effective 1st November 2023, RBZ announced that "Retentions on all exports shall be standardized at 75%, across all sectors of the economy". Management is engaging relevant Stakeholders to minimize the impact of this change on the business.

By order of the Board

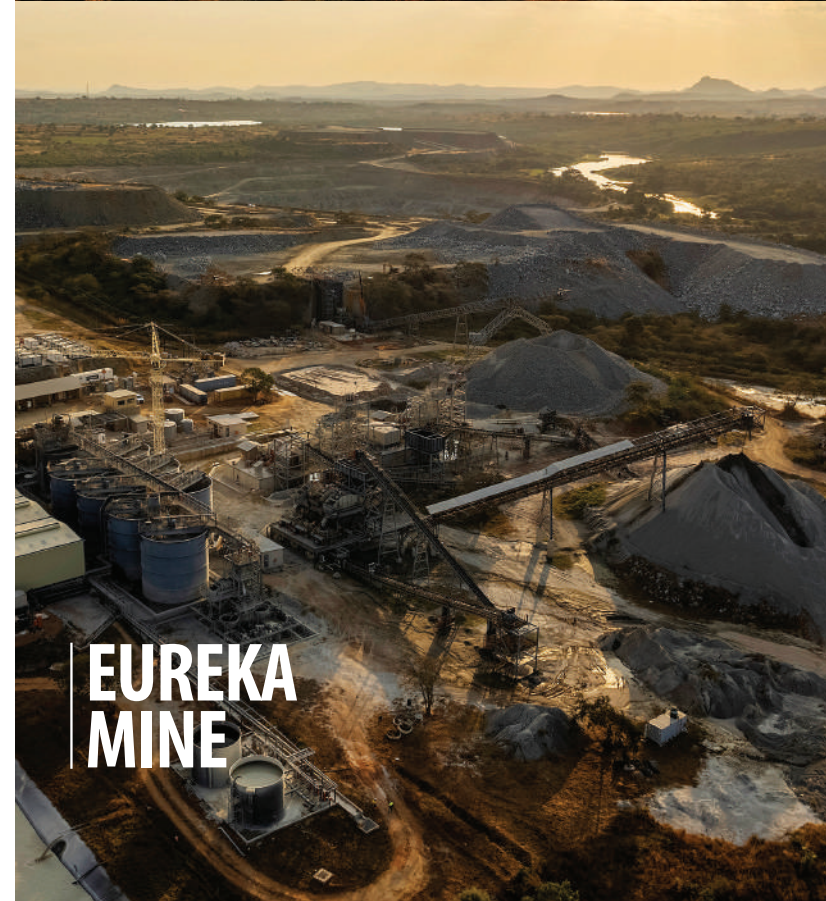


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15 November 2023

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