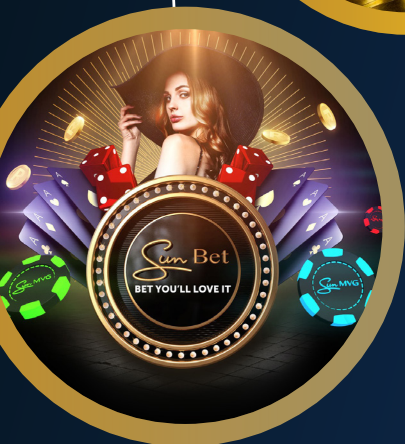
Sun International



AUDITED SUMMARY GROUP FINANCIAL RESULTS AND CASH DIVIDEND DECLARATION

for the year ended 31 December 2022

INTRODUCTION

On the back of an excellent performance in the first half of 2022, Sun International continued to deliver outstanding results in the second half of the year. Income for the year was up 44% from the prior year to R11.3 billion. Sustainable cost savings contributed to the South African adjusted EBITDA being up by 96% to R3.3 billion. Adjusted headline earnings improved from R110 million to earnings of R1.1 billion with adjusted headline earnings of 439 cents per share up from 44 cents per share, in the prior year. Sun International's performance reflects the quality of its operating businesses and disciplined execution on strategy which continues to drive shareholder value.

Gaming income from casinos, Sun Slots and SunBet which make up 80% of group income, showed a significant recovery with income up 36%. The group was able to successfully defend and grow market share in all provinces, while income generated from Sun Slots recovered to pre-Covid-19 levels. SunBet generated record income during the year under review and is well on its way to achieving our aggressive growth targets for this business.

As a result of sustainable cost savings, the South African operations' adjusted EBITDA margin improved from 28.2% in 2019 to 29.7% in 2022. Without the impact of the net diesel costs of R53 million, due to load shedding, the group would have achieved its targeted 30% adjusted EBITDA margin.

As at the end of 2022, the group acquired 22.6% of the issued share capital (equivalent to 24.7% of issued share capital net of accounting treasury shares) in Grand Parade Investments Limited (GPI) for R374 million. In addition, Sun International repurchased 1.9 million of its shares for R58 million. Even with these investments, the group is in a strong financial position with South African debt (excluding IFRS 16 lease liabilities) at R5.9 billion down from R6.4 billion as at 31 December 2021 and debt to adjusted EBITDA at 1.84 times. As a result of the significantly improved financial position and strong cash generation, the group resumed dividend payments in 2022, with an interim cash dividend of 88 cents per share and a final cash dividend of 241 cents per share bringing the total cash dividend to 329 cents per share for the year, which represents a dividend payout of 75% of adjusted headline earnings per share.

Overview

The 2022 calendar year was the first in which operations were largely unimpacted by trading restrictions since the onset of the COVID-19 pandemic. Sun International has emerged from this period a de-geared, more focused and higher margin business with a distinctive omni-channel customer proposition across urban casinos, Sun Slots, SunBet as well as the group's resorts and hotels, demonstrated resilience of earnings, attractive opportunities for growth, and strong cash generation to support consistent return of capital to shareholders going forward.

Operational highlights

Urban Casinos

Our urban casino strategy is anchored on three core focus areas being customer acquisition and retention, customer experience and margin improvement.

Our improved use of data and analytics combined with a selective focus on certain market segments enabled us to grow market share in key provinces. For the year under review, our market share compared to the prior year, in the competitive Gauteng market, increased 0.9% to 28.2%, in the Eastern Cape it increased 1.5% to 80.4% and in KwaZulu-Natal it increased 3.6% to 39.3%.

We continue to right-size our operations and drive margin improvements. We reduced slots across the group by 1 217 (12%) and tables by 72 (19%) resulting in commensurate savings including licence fees, operational costs, and future capital expenditure for the replacement of these positions. These reductions had no impact on income as we had excess capacity on our casino floors.

Income has proven resilient and is swiftly recovering from the effects of the pandemic. Overall, urban casino operations generated adjusted EBITDA of R2 445 million for the year under review, up 71% from R1 433 million in 2021 with adjusted EBITDA margin at 36.4%, reflecting a 200 basis point improvement on 2019 margins.

Sun Slots

The Sun Slots business proved remarkably resilient, with a strong recovery in trading. It swiftly reactivated closed sites, resulting in 5 160 of the Limited Payout Machines (LPM) being active for play during the year under review, and an increase of 508 machines relative to 2021. We continue to engage with the regulators to increase the roll out of LPMs to the 6 500 LPM positions that have been allocated.

Sun Slots income increased 20% from R1 242 million to R1 491 million with adjusted EBITDA up 17% from R313 million to R367 million for the year under review, notwithstanding the impact that escalated load shedding had on LPM operations in the last quarter of the year.

SunBet

SunBet has continued its strong growth trajectory and remains an exciting prospect, with long-term transformational growth potential for the group. Overall, income was up 86% on the same period in 2021 with growth of 135% in the second half of the financial year. Active players on our rapidly expanding online sports betting and gaming platform continued to grow with additional games being offered and the overall player experience being enhanced.

At the end of the year under review, we achieved substantial growth in our key performance indicators against 2021 which included:

- active players up 50%;
- sports turnover up 23%; and
- deposits up 130%.

SunBet offers the group significant and exciting growth potential and with this in mind, we continue to invest in people, systems and marketing in order to significantly increase our share of the fast-growing online gaming market.

Strategically, we continue to leverage the Sun International brand, presence and loyalty offering to attract and retain players while positioning SunBet to be the most trusted and responsible gaming operator in South Africa. In a highly commoditised online industry, our competitive advantage lies in our ability to add value to the offering through the wider Sun International group.

On 1 August 2022, the Western Cape Gaming and Racing Board licenced the operation of slots styled games. Since then, average monthly revenue has more than doubled and continues to grow rapidly. Based on international precedents, we believe online slots has immense potential for SunBet, and supporting our omni-channel strategy between land based and online gaming. With our award winning MVG loyalty programme, this will allow SunBet to attract high-value customers at a very attractive cost of acquisition. SunBet's growth has been entirely self-funding, and strategically we remain focused on scaling the business and capturing meaningful market share in this fast-growing business.

We are on a focused journey to grow our current operating market and launch into new markets. In this regard, we have concluded a 70% investment in SunBet Africa Holdings, for a consideration of USD3.2 million (R52.4 million). This company has online sports betting and casino licences to operate in Ghana, Zambia and Kenya. We are in the early stages of rolling out the SunBet operating model and brand in these markets, which have attractive long term growth potential.

Resorts and Hotels

Following a difficult start to the year due to the closure of borders due to the Omicron Covid-19 variant, we have experienced a strong recovery in our resorts and hotels business. Domestic leisure, conferencing and sports and events revenues exceeded 2019 levels while international leisure business recovered strongly in the second half of the year.

Total resorts and hotels revenue was up 65% on the prior year, to R2 571 million. Total revenue was in line with 2019 levels, while casino income exceeded 2019 as a result of us leveraging the Sun City Resort and Wild Coast Sun for the benefit of our MVG and SunBet customers. Overall, our resorts and hotels generated an adjusted EBITDA of R450 million, making a complete turnaround from a loss of R56 million in the prior year and adjusted EBITDA of R300 million in the 2019 year. The adjusted EBITDA margin of 17.5% reflects a substantial improvement from the adjusted EBITDA margin of 11.7% achieved in 2019 and represents meaningful progress towards achieving our margin targets.

Nigeria

Trading in the hospitality and casino segments of the Federal Palace Hotel remains subdued. We continue to engage with the relevant authorities to ensure that we can exit our investment in Nigeria.

Group debt

In December 2022, we successfully concluded the refinance of our group debt achieving an extension of tenor and more favourable pricing, given significant strengthening of the group's balance sheet. A key aspect of the refinancing was the incorporation of three ESG related key performance indicators (KPIs), further demonstrating Sun International's commitment towards being a responsible corporate citizen. The sustainability KPIs relate to increased procurement by Sun International, across its supply chain, from companies with Black-women ownership of at least 30%, as well as the increased use of renewable energy in powering the group's operations and increasing its recycling of general and hazardous waste. Approximately 40% of our debt has these KPIs attached to its terms. These KPIs will be independently measured on an annual basis for the next four years and on achievement of these KPIs we will receive a pricing reduction. In the unlikely event that we do not achieve all of these KPIs there will be a small pricing increase.

Sun International is the first listed company in the gaming and leisure sector in South Africa to implement a sustainability linked debt-refinancing programme, demonstrating the group's commitment to leadership in ESG and responsible business practices within the sector.

Overall group debt (excluding IFRS 16 lease liabilities) reduced from R7.1 billion at 31 December 2021 to R6.6 billion at 31 December 2022. Our South African debt reduced from R6.4 billion at 31 December 2021 to R5.9 billion at 31 December 2022, after allocation of cash generated to capital expenditure, investments, share buy-backs and dividends. Our South African debt to adjusted EBITDA and interest cover of 1.84 times and 6.51 times respectively is well within our lenders' covenants of 3.25 times and 3.0 times respectively. Our statement of financial position is in a strong position with unutilised facilities of R2.5 billion. We continue to prioritise increasing free cash flows and disciplined capital allocation to maximise shareholder value within a set of fundamental capital allocation principles.

Sun International's dividend strategy is to provide its shareholders with an appropriate, sustainable payout over the long term. With the significantly lower debt levels and as the business returns to pre-pandemic levels, we anticipate that our debt to adjusted EBITDA ratio will continue to improve. This enabled the board to resume the payment of dividends for the first time since 2016 at our June 2022 interim reporting period.

Going forward the group will target a debt-to-adjusted EBITDA ratio, excluding acquisitions, of two times and a dividend pay-out ratio of 75% of adjusted headline earnings per share on a sustainable basis.

FINANCIAL OVERVIEW
for the year ended 31 December 2022

R million	31 December 2022	%	31 December 2021
Income	**11 274**	44	7 812
Adjusted EBITDA	**3 306**	96	1 685
Depreciation and amortisation	**(828)**	4	(863)
Adjusted operating profit	**2 478**	>100	822
Foreign exchange losses	**(1)**	50	(2)
Net interest	**(495)**	12	(564)
Net external interest	**(469)**	13	(538)
Profit relating to the interest rate swaps	**56**	(5)	59
IFRS 16 interest	**(82)**	4	(85)
Adjusted profit before tax	**1 982**	>100	256
Taxation	**(628)**	<(100)	(66)
Adjusted profit after tax	**1 354**	>100	190
Minorities	**(270)**	<(100)	(73)
Adjusted attributable profit	**1 084**	>100	117
Share of associates	**1**	100	–
Continuing group adjusted headline earnings	**1 085**	>100	117
Discontinued headline loss	**–**	(100)	(7)
Group adjusted headline earnings	**1 085**	>100	110
Adjusted headline earnings adjustments	**(526)**	<(100)	155
Group headline earnings	**559**	>100	265
Headline earnings adjustments	**(4)**	(100)	(2)
Group basic earnings	**555**	>100	263

R million	31 December 2022	%	31 December 2021
Urban casinos	**6 726**	43	4 720
Casino income	**6 208**	40	4 449
Rooms revenue	**99**	65	60
Food and beverage revenue	**279**	95	143
Other income*	**140**	>100	68
Adjusted EBITDA	**2 445**	71	1 433
Adjusted EBITDA margin %	**36.4%**	6	30.4%
Resorts and hotels	**2 571**	65	1 558
Casino income	**900**	28	703
Rooms revenue	**782**	>100	344
Food and beverage revenue	**543**	>100	267
Other income*	**346**	42	244
Adjusted EBITDA	**450**	>100	(56)
Adjusted EBITDA margin %	**17.5%**	21	(3.6%)
Sun Slots			
Income	**1 491**	20	1 242
Adjusted EBITDA	**367**	17	313
Adjusted EBITDA margin %	**24.6%**	(1)	25.2%
SunBet			
Income	**339**	86	182
Adjusted EBITDA	**42**	>100	(2)
Adjusted EBITDA margin %	**12.4%**	14	(1.1%)
Total South Africa			
Income	**11 127**	44	7 702
Adjusted EBITDA	**3 304**	96	1 688
Adjusted EBITDA margin %	**29.7%**	8	21.9%
Nigeria and other**			
Income	**147**	34	110
Adjusted EBITDA	**2**	>100	(3)
Adjusted EBITDA margin %	**1.4%**	4	(2.7%)
Total group			
Income	**11 274**	44	7 812
Adjusted EBITDA	**3 306**	96	1 685
Adjusted EBITDA margin %	**29.3%**	8	21.6%

* Other income is inclusive of all other products and services the group offers and the net income from management companies.

** Nigeria and other include Sun Chile, Sun Latam and SunBet Africa Holdings which are aggregated as they represent less than 2% of group revenue.

	Income			Adjusted EBITDA			Depreciation and amortisation			Adjusted operating profit		
R million	**31 December 2022**	**%**	**31 December 2021**	**31 December 2022**	**%**	**31 December 2021**	**31 December 2022**	**%**	**31 December 2021**	**31 December 2022**	**%**	**31 December 2021**
Urban casinos	**6 726**	43	4 720	**2 445**	71	1 433	**(518)**	6	(550)	**1 927**	>100	883
GrandWest	**1 830**	43	1 281	**613**	54	399	**(116)**	–	(116)	**497**	76	283
Time Square	**1 451**	49	977	**507**	85	274	**(186)**	2	(189)	**321**	>100	85
Sibaya	**1 345**	49	904	**481**	59	302	**(45)**	8	(49)	**436**	72	253
Carnival City	**901**	40	642	**233**	69	138	**(56)**	5	(59)	**177**	>100	79
Boardwalk#	**482**	38	349	**112**	>100	50	**(33)**	27	(45)	**79**	>100	5
Meropa	**237**	26	188	**67**	37	49	**(16)**	6	(17)	**51**	59	32
Windmill	**204**	32	155	**66**	40	47	**(14)**	22	(18)	**52**	79	29
Flamingo	**124**	25	99	**23**	28	18	**(12)**	14	(14)	**11**	>100	4
Golden Valley	**133**	17	114	**16**	7	15	**(12)**	8	(13)	**4**	100	2
Management and corporate office	**409**	65	248	**327**	>100	141	**(28)**	7	(30)	**299**	>100	111
Intercompany management fees	**(390)**	(65)	(237)	**–**	–	–	**–**	100	–	**–**	100	–
Resorts and hotels	**2 571**	65	1 558	**450**	>100	(56)	**(194)**	5	(205)	**256**	>100	(261)
Sun City	**1 635**	60	1 024	**259**	>100	(52)	**(135)**	6	(144)	**124**	>100	(196)
Wild Coast Sun	**508**	34	380	**95**	94	49	**(32)**	16	(38)	**63**	>100	11
The Table Bay Hotel	**308**	>100	105	**90**	>100	(21)	**(27)**	(17)	(23)	**63**	>100	(44)
The Maslow Sandton	**120**	>100	49	**6**	>100	(32)	**–**	100	–	**6**	>100	(32)
Sun Slots	**1 491**	20	1 242	**367**	17	313	**(94)**	(8)	(87)	**273**	21	226
SunBet	**339**	86	182	**42**	>100	(2)	**(3)**	25	(4)	**39**	>100	(6)
Total South African operations	**11 127**	44	7 702	**3 304**	96	1 688	**(809)**	4	(846)	**2 495**	>100	842
Nigeria and other*	**147**	34	110	**2**	>100	(3)	**(19)**	(12)	(17)	**(17)**	15	(20)
Total group operations	**11 274**	44	7 812	**3 306**	96	1 685	**(828)**	4	(863)	**2 478**	>100	822

Boardwalk includes Boardwalk Mall.
* Nigeria and other include Sun Chile, Sun Latam and SunBet Africa Holdings which are aggregated as they represent less than 2% of group revenue.

R million	31 December 2022	31 December 2021
South Africa		
Expansionary capex	**255**	61
GrandWest – Hotel	**19**	–
Sun Slots – LPM and gaming equipment for site roll-out	**92**	–
Sun City – Vacation Club Lefika	**45**	–
Boardwalk Mall	**99**	61
Major refurbishment capex	**168**	54
Sun City – The Palace	**113**	54
Sun City – The Palace Spa	**20**	–
Sun City – Casino Privé	**16**	–
GrandWest – Electrical	**12**	–
Boardwalk – Privé, Bravo Bar, Casino non-smoking entrance and crèche refurbishment	**7**	–
Refurbishment and ongoing	**611**	466
Sun City	**129**	135
GrandWest	**58**	67
Sun Slots	**63**	87
Sibaya	**74**	42
Time Square	**48**	12
Carnival City	**48**	35
Wild Coast Sun	**41**	17
Meropa	**16**	11
Boardwalk	**26**	16
SunBet	**2**	2
Other	**106**	42
Total South Africa	**1 034**	581
Nigeria	**8**	5
Total group capital expenditure*	**1 042**	586

* Excluding goodwill, contract assets and right of use assets.

Headline and adjusted headline earnings adjustments

The group has incurred certain once-off or unusual items that have been adjusted for in adjusted headline earnings in the 2022 year under review, the most significant of which are described below:

- Foreign exchange and net monetary losses of R71 million relating to the loan between Sun International Limited and Nigeria; and
- A change in the estimated redemption value of the SunWest put option liability of R510 million.

Key matters

Regulatory

- On 10 June 2022, the Provincial Government of the Western Cape published the draft bills and draft regulations for comment with regards to the proposed amendments to the relocation regime in the Western Cape. In summary, amendments included, *inter alia:*
  - a maximum number of two casino operator licences that may be granted or held in the City of Cape Town which cannot be situated within a 30-kilometre radius from another casino and in the 77-kilometre radius calculated from the Cape Town City Hall;
  - a casino that relocates to the City of Cape Town shall be situated in part of the Helderberg area that falls outside the radius to the existing casino in Cape Town;
  - the licence will be issued for a tenure of 10 years from the date on which the relocated casino commences operations, or 18 months from the date on which the application relating to the relocation of the casino was granted;
  - a casino that wishes to relocate will be required to pay an application fee, but will also be required after the relocation is granted to pay:
    - an upfront economic opportunity tax of R75 million; and
    - monthly economic opportunity taxes of 1% of gross gaming revenue. The monthly economic opportunity tax will be payable for a period of 10 years, commencing one month from the date of commencement of the operations of the relocated casino.

  We have provided comments on the draft bills and regulations and await feedback. In the interim, the Western Cape government has requested us to provide certain information regarding our economic studies and data relating to our gaming, which we have provided.
- The Tobacco Products and Electronic Delivery Systems Control Bill, 2021 has been submitted to Parliament and is awaiting formal approval from both, the National Council of Provinces and Cabinet, prior to being promulgated into law. Sun International made representations on the Bill on its own and via the Casino Association of South Africa.

Capital allocation

- In line with the company's stated strategic objective of increasing its equity interest in its portfolio of South African operations, where there are minority interests, the following transactions were concluded during the year:
  - At the end of 2022, Sun International (South Africa) Limited (SISA), a wholly owned subsidiary of Sun International, acquired 22.6% of the issued share capital (equivalent to 24.7% of issued share capital net of accounting treasury shares) in GPI, a company listed on the Johannesburg Stock Exchange. Since year end Sun International has increased its shareholding to 22.7% of the issued share capital (equivalent to 24.8% of issued share capital net of accounting treasury shares) for an average purchase consideration of R3.51 per GPI ordinary share, being R374 million in aggregate ("Purchase Price").
  - At present, Sun International, through its wholly owned subsidiary, SISA, holds, *inter alia,* a 70% equity interest in Sun Slots (RF) Proprietary Limited (Sun Slots), a 61.59% equity interest in SunWest International Proprietary Limited (SunWest) and a 61.40% equity interest in Worcester Casino Proprietary Limited (Worcester). Grand Casino Investments Proprietary Limited, a wholly owned subsidiary of GPI, holds a 30% equity interest in Sun Slots and 15.10% equity interest in SunWest whilst GPI owns 15.10% equity interest in Worcester.
  - Terms have been agreed to whereby, SISA would acquire the minority shareholders 14.25% interest in Time Square and dispose of certain identified portions of land, surplus to Time Square requirements and register a servitude of certain Time Square parking bays, as one indivisible transaction. The transaction is subject to conditions precedent as set out in the SENS announcement dated 8 August 2022, with Sun International expecting to receive a net amount of R73 million once the transaction becomes unconditional. The minority shareholder has requested an extension for conclusion of the transaction to 31 March 2023, as they work to fulfil their conditions precedent to the transaction.
- Given the inherent value that the Sun International shares offer, the company embarked on a share buy-back program during the last quarter of 2022. The company acquired and cancelled 1.9 million of its own shares at an average price of R31.14 per share for a total purchase consideration of R58 million. The Board is committed to returning capital to its shareholders through dividends or share buy-backs, whilst remaining cognisant of the limited liquidity of Sun International shares.

Key property developments

- Work on the expansion of the GrandWest Hotel has commenced. The hotel will be expanded from 39 keys to 103 keys at a cost of R125 million of which R19 million was incurred during 2022. Opening is anticipated to be in the third quarter of 2023. The existing 39 room hotel achieves an occupancy of 99% and can only accommodate a limited number of our top end customers. The additional rooms will ensure that we can fully implement our out of town strategy and offer an enhanced customer experience which in turn will impact positively on gaming income.
- The refurbishment of 323 rooms at The Palace at Sun City, and the addition of a Spa, was completed in November 2022 at a total cost of R187 million, of which R133 million was incurred during 2022. Following the refurbishment, we are achieving higher rates and occupancies.
- The strategic expansion of the Sun Vacation Club development has commenced on a phased basis. The initial phase of 58 units (48 three bedroom and 10 four bedroom units) will cost R295 million, of which R45 million was incurred during the 2022 year with the balance to be incurred in 2023. Gross sales to end February 2023 of R39 million have been achieved which are well ahead of our feasibility. The demand and success of this phase will inform the intended rollout of the remainder of this expansion.
- Phase 1 of the Boardwalk Mall opened at the end of the first quarter of 2022 and the remaining components opened in the fourth quarter of 2022. The mall has enhanced the overall precinct, is fully let and driving footfall to the property.

Sun Dreams contingent earnouts

Subsequent to the disposal of our interest in Sun Dreams S.A. in October 2020, we continue to monitor progress around future earnouts, which formed part of the transaction. The earnouts relate to the renewal of four of Sun Dreams S.A.'s SCJ licences by 31 December 2024 (CLP10.6 billion earnout (R209 million)) and these licences achieving at least their 2019 adjusted EBITDAR in the first full year following renewal of these licences (CLP31.8 billion earnout (R627 million)). On 5 August 2022 the SCJ announced that the 4 licences will be renewed. We have engaged with Sun Dreams S.A. around the payment of the first earnout of CLP10.6 billion (R209 million) and although the parties acknowledge the obligation to make this payment they are contending the timing of the payment based on a technical interpretation of when the renewed licence becomes effective.

Environmental, social and governance (ESG)

Our ESG strategy aims to embed the principles of ESG across all facets of our business to ensure that we deliver sustained value creation. Our holistic ESG focus allows us to measure, monitor and evaluate our contribution towards minimising our impact on the natural and social environments within which we operate, while ensuring sustainable value creation for all of our stakeholders.

Annually IRAS, an independent integrated reporting and assurance services company, compiles a Sustainability Data Transparency Index (SDTI) for JSE listed companies. The SDTI focuses on environmental, social and governance (ESG) information reported on, in companies integrated annual reports (IAR). Their current report reviewed and analysed 270 IAR reports with a year-end on or before 31 December 2021. Sun International was rated the best ESG reporting company in the Travel and Leisure industry. This is the 2nd consecutive year that Sun International has achieved the top ranking in the Travel and Leisure industry and we were placed 17th overall out of the 270 companies reviewed.

Outlook

The group's urban casino properties and LPM operations are demonstrating continued resilience despite the tough operating environment. SunBet is achieving record numbers in terms of revenue and all key indicators, and will deliver another step change this year. Our resort and hotel properties have continued to perform exceptionally well, and we anticipate another good year from them in 2023.

Load shedding is impacting our costs, with diesel expense incurred between R12 million and R14 million a month with an approximate 20% offset saving in electricity. We have accelerated our programme to explore all options around a comprehensive energy plan which will not only solve this challenge but also achieve good returns on capital.

Our balance sheet remains strong, and guided by our clearly laid out capital allocation framework. Going forward, we will continue to be disciplined with capital allocation, targeting a 2 times net debt to adjusted EBITDA and paying out 75% of adjusted headline earnings as dividends.

AUDITED SUMMARY GROUP FINANCIAL STATEMENTS

for the year ended 31 December 2022

Independent audit

The audited summary group financial statements have been derived from the group audited consolidated financial statements. The directors of the company take full responsibility for the preparation of the audited summary group financial statements and that the financial information has been correctly derived and is consistent in all material respects with the underlying audited consolidated financial statements.

The audited summary group financial statements for the year ended 31 December 2022 have been audited by our auditor Deloitte & Touche, which has expressed an unmodified opinion thereon. The auditors also expressed an unmodified opinion on the audited consolidated financial statements from which the audited summary group financial statements were derived, and their opinion included key audit matters.

A copy of the auditor's report on the consolidated financial statements together with the audited group and company financial statements is available for inspection at the company's registered office or can be downloaded from the company's website, www.suninternational.com/investors.

The company's external auditor has not reviewed or reported on any forecasts included in these audited summary group financial statements which is the responsibility of the directors. The auditor's report does not necessarily report on all the information contained in this announcement. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the audit engagement they should obtain a copy of the auditor's report together with the accompanying financial information from the issuers registered office.

Basis of preparation and accounting policies

The audited summary group financial statements are prepared in accordance with the requirements of the JSE Listings Requirements for preliminary financial statements and the requirements of the South African Companies Act, 71 of 2008, as amended, applicable to audited summary group financial statements.

The audited summary group financial statements were prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS), International Accounting Standards (IAS) and the South African Institute of Chartered Accountants (SAICA) Financial Reporting Guides as issued by the Accounting Practices Committee (APC) and the Financial Pronouncements as issued by the Financial Reporting Standard Council (FRSC), and to also, as a minimum, contain the information required by IAS 34 Interim Financial Reporting.

The accounting policies applied in the preparation of the group audited consolidated financial statements from which the audited summary group financial statements have been derived, are in terms of IFRS and are consistent with those accounting policies applied in the preparation of the previous group audited financial statements. The audited summary group financial statements should be read in conjunction with the group audited consolidated financial statements for the year ended 31 December 2022, which have been prepared in accordance with IFRS.

Adjusted EBITDA

Adjusted EBITDA and adjusted headline earnings are non-IFRS metrics defined by the group and presented as additional information to the shareholders. Management considers it more reflective of the operating performance of the group. The following adjustments are made to the operating profit of the group to determine adjusted EBITDA:

- Profit/loss on disposal of non-current assets;
- Impairment of non-current assets;
- Income associated with insurance claims;
- Foreign exchange cover profits/losses;
- Restructuring cost; and
- Other non recurring expenses which are unusual and infrequent in nature as a result of unforeseen and atypical events.

Adjusted headline earnings

The adjustments made in determining adjusted EBITDA are either reflected in the headline earnings adjustments required by Circular 1/2021 – Headline earnings, or where not reflected yet in the adjustments prescribed by the Circular or to the extent that it is not reflected in the operating profit:

- Profit/Loss relating to the extinguishment or modification of debt instruments;
- Interest income on non-operating assets;
- Amortisation on assets identified as part of the purchase price allocation in business combinations (IFRS 3, Business Combinations);
- Remeasurements of put option liabilities; and
- Other unusual and infrequent expenses as a result of atypical events.

Standards implemented

There were no new accounting standards required to be adopted during the current reporting period.

SUMMARY GROUP STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2022

R million	31 December 2022	31 December 2021
Continuing operations		
Net gaming wins	**8 997**	6 632
Revenue	**2 277**	1 180
Insurance receipts	**28**	522
Income	**11 302**	8 334
Consumables and services	**(1 193)**	(789)
Depreciation	**(739)**	(772)
Amortisation	**(89)**	(91)
Employee costs	**(2 146)**	(1 674)
Levies and VAT on casino income	**(2 146)**	(1 568)
LPM site owners commission*	**(438)**	(362)
Promotional and marketing costs	**(464)**	(341)
Property and equipment rentals	**(62)**	(26)
Property costs	**(850)**	(729)
Net impairment loss on financial assets	**(11)**	(10)
Other operational costs^	**(721)**	(663)
Operating profit	**2 443**	1 309
Foreign exchange losses	**(71)**	(30)
IFRS 9 debt modification adjustment	**–**	43
Finance income	**20**	45
Finance expense	**(515)**	(609)
Change in estimated redemption value of put option	**(510)**	(184)
Share of profit of investments accounted for using the equity method	**1**	–
Profit before tax	**1 368**	574
Taxation	**(603)**	(192)
Profit for the year from continuing operations	**765**	382
Loss for the year from discontinued operations	**–**	(2)
Profit for the year	**765**	380

R million	31 December 2022	31 December 2021
Other comprehensive income:		
Items that will not be reclassified to profit or loss		
Remeasurements of post employment benefit obligations	**10**	1
Tax on remeasurements of post employment benefit obligations	**(3)**	–
Items that may be reclassified to profit or loss		
Gross gain on cash flow hedges~	**–**	84
Tax on gain on cash flow hedges	**–**	(18)
Fair value adjustment for listed shares	**(18)**	–
Tax on fair value adjustment for listed shares	**5**	–
Foreign currency translation reserve	**42**	(12)
Total comprehensive income for the year	**801**	435
Profit for the year attributable to:	**765**	380
Minorities	**210**	117
Ordinary shareholders	**555**	263
Total comprehensive profit for the year attributable to:	**801**	435
Minorities	**217**	106
Ordinary shareholders	**584**	329
Total comprehensive profit attributable to ordinary shareholders arises from:	**584**	329
Continuing operations	**584**	324
Discontinued operations	**–**	5
	Cents per share	**Cents per share**
Basic and diluted earnings per share (cents)		
Basic	**224**	105
Continuing operations	**224**	103
Discontinued operations	**–**	2
Diluted basic earnings per share (cents)	**222**	105

* LPM refers to Limited Payout Machines and relates to the group's Sun Slots business.

^ Other operational costs include administration and general costs, loss on disposals of assets, IT costs, professional fees, training costs, travel costs and repairs and maintenance costs *inter alia*.

~ Relates to the interest rate swap liability.

SUMMARY GROUP STATEMENT OF FINANCIAL POSITION

as at 31 December 2022

R million	31 December 2022	Restated* 31 December 2021
ASSETS		
Non-current assets		
Property, plant and equipment	**9 054**	9 030
Intangible assets	**818**	814
Investment property	**160**	61
Contract asset	**80**	69
Equity-accounted investments	**32**	31
Investment in listed shares	**356**	–
Pension fund asset	**9**	9
Deferred tax assets	**1 057**	1 141
Trade and other receivables	**103**	67
	11 669	11 222
Current assets		
Inventory	**118**	88
Trade and other receivables	**1 130**	1 117
Contract asset	**17**	19
Cash and cash equivalents	**546**	374
Current tax receivable	**11**	107
	1 822	1 705
Assets held for sale	**55**	26
Total assets	**13 546**	12 953

R million	31 December 2022	Restated* 31 December 2021
EQUITY AND LIABILITIES		
Capital and reserves		
Ordinary shareholders' equity before put option reserve	**3 643**	3 293
Put option reserve	**(1 286)**	(1 286)
Ordinary shareholders' equity	**2 357**	2 007
Minorities' interests	**(325)**	(291)
	2 032	1 716
Non-current liabilities		
Deferred tax liabilities	**282**	236
Borrowings	**5 914**	6 716
Put option liability	**974**	464
Contract liabilities	**505**	457
Trade payables and accruals	**127**	123
	7 802	7 996
Current liabilities		
Borrowings	**1 538**	1 242
Trade payables and accruals	**2 014**	1 723
Derivative financial instruments	**–**	56
Contract liabilities	**118**	116
Current tax payable	**42**	104
	3 712	3 241
Total liabilities	**11 514**	11 237
Total equity and liabilities	**13 546**	12 953

* *The prior year comparative financial information was restated to reflect corrected reclassifications and errors. Refer to restatements on pages 23 – 24.*

SUMMARY GROUP STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2022

R million	Share capital and premium	Treasury shares	Foreign currency translation reserve	Share based payment reserve	Reserve for non-controlling interests*	Other reserves**	Retained earnings	Ordinary share-holders' equity before put option reserve	Put option reserve	Ordinary share-holders' equity	Minorities' interests	Total equity
Balance at 31 December 2020	3 100	(400)	48	63	(3 353)	164	3 379	3 001	(1 286)	1 715	(253)	1 462
Profit for the year	–	–	–	–	–	–	263	263	–	263	117	380
Other comprehensive income for the year	–	–	(1)	–	–	66	–	65	–	65	(11)	54
Total comprehensive income and other income for the year	–	–	(1)	–	–	66	263	328	–	328	106	434
Share plan shares purchased	–	(33)	–	–	–	–	–	(33)	–	(33)	–	(33)
Employee share plans	–	–	–	(3)	–	–	–	(3)	–	(3)	–	(3)
Vested share plans	–	14	–	(14)	–	–	–	–	–	–	–	–
Derecognition of eSwatini	–	–	–	–	–	–	–	–	–	–	14	14
Dividends paid	–	–	–	–	–	–	–	–	–	–	(158)	(158)
Balance at 31 December 2021	3 100	(419)	47	46	(3 353)	230	3 642	3 293	(1 286)	2 007	(291)	1 716
Profit for the year	**–**	**–**	**–**	**–**	**–**	**–**	**555**	**555**	**–**	**555**	**210**	**765**
Other comprehensive income for the year	**–**	**–**	**35**	**–**	**–**	**(6)**	**–**	**29**	**–**	**29**	**7**	**36**
Total comprehensive income and other income for the year	**–**	**–**	**35**	**–**	**–**	**(6)**	**555**	**584**	**–**	**584**	**217**	**801**
Share plan shares purchased	**–**	**(36)**	**–**	**–**	**–**	**–**	**–**	**(36)**	**–**	**(36)**	**–**	**(36)**
Employee share plans	**–**	**–**	**–**	**32**	**–**	**–**	**–**	**32**	**–**	**32**	**–**	**32**
Vested share plans	**–**	**13**	**–**	**(13)**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Shares repurchased and cancelled	**(58)**	**–**	**–**	**–**	**–**	**–**	**–**	**(58)**	**–**	**(58)**	**–**	**(58)**
Acquisition/disposal of equity interest^	**–**	**–**	**–**	**–**	**53**	**–**	**–**	**53**	**–**	**53**	**14**	**67**
Dividends paid	**–**	**–**	**–**	**–**	**–**	**–**	**(225)**	**(225)**	**–**	**(225)**	**(265)**	**(490)**
Balance at 31 December 2022	**3 042**	**(442)**	**82**	**65**	**(3 300)**	**224**	**3 972**	**3 643**	**(1 286)**	**2 357**	**(325)**	**2 032**

* Reserve for non-controlling interests relates to the premium paid on purchases of minorities' interests and profits and losses on disposals of interests to minorities, including change in control.

** Including fair value and pension fund reserve.

^ Includes the acquisition of SunBet Africa Holdings and the disposal of an interest in Zonwabise.

SUMMARY GROUP STATEMENT OF CASH FLOWS

for the year ended 31 December 2022

R million	31 December 2022	*Restated 31 December 2021
Cash flows from operating activities		
Cash generated from operations		
Profit for the year	**765**	380
Operating loss – discontinued operations	**–**	2
Adjustments for non-cash transactions	**2 881**	1 832
Depreciation and amortisation	**828**	863
Net loss on disposal of property, plant and equipment	**15**	22
Net gain on deconsolidation of subsidiary	**–**	(12)
Net loss on disposal of investment	**7**	–
Provident fund prepayment	**181**	(14)
Foreign exchange loss	**71**	30
Operating equipment usage	**53**	39
Expense/(gain) related to employee share based payments	**32**	(3)
Net impairment loss on financial assets	**11**	10
Change in estimated redemption value of put option	**510**	184
IFRS 9 debt modification adjustment	**–**	(43)
Income tax expense	**603**	192
Finance income	**(20)**	(45)
Finance expense	**515**	609
Movement in contract liability	**50**	(25)
Other non-cash movements	**25**	25
Operating cash flow before movements in working capital	**3 646**	2 214
Working capital changes	**37**	(71)
Inventory	**(30)**	12
Accounts receivable	**(215)**	(110)
Contract asset	**(9)**	2
Accounts payable	**291**	25
Cash generated by operations	**3 683**	2 143
Tax paid	**(436)**	(449)
Net cash inflow from operating activities	**3 247**	1 694
Cash flows from investing activities		
Purchase of property, plant and equipment	**(922)**	(489)
Additions to Investment property	**(99)**	(61)
Proceeds on disposal of property, plant and equipment	**37**	54
Purchase of intangible assets	**(21)**	(21)
Investment income received	**7**	4
Purchase of listed shares	**(374)**	–
Net cash outflow from investing activities	**(1 372)**	(513)
Cash flows from financing activities		
Share plan shares purchased	**(36)**	(33)
Shares repurchased and cancelled	**(58)**	–
Repayment of capital lease liabilities	**(149)**	(101)
Additional borrowings	**775**	1 151
Repayment of borrowings	**(1 263)**	(1 692)
Interest paid	**(480)**	(543)
Dividends paid	**(490)**	(158)
Net cash outflow from financing activities	**(1 701)**	(1 376)
Effects of exchange rate changes on cash and cash equivalents	**(2)**	31
Net increase/(decrease) in cash and cash equivalents	**172**	(164)
Cash and cash equivalents at beginning of the year	**374**	538
Cash and cash equivalents at end of year	**546**	374

* The prior year comparative financial information was restated to reflect corrected reclassifications and errors. Refer to restatements on pages 23 – 24.

RESTATEMENT

for the year ended 31 December 2022

The following table summarises the impact of reclassifications and prior period errors in the financial statements of the group. These have no impact on both basic and diluted earnings per share.

R million	31 December 2021	31 December 2020
Consolidated statement of financial position		
Property, plant and equipment as previously stated	9 091	9 333
Correction to investment property[^]	(61)	–
Property, plant and equipment restated	9 030	9 333
Intangible assets as previously stated	902	956
Correction of error whereby Vacation Club is presented as a Contract asset**	(88)	(90)
Intangible assets restated	814	866
Investment property as previously stated	–	–
Correction from property, plant and equipment[^]	61	–
Investment property restated	61	–
Non-current contract asset as previously stated	–	–
Correction of error whereby Vacation Club is presented as a Contract asset**	69	71
Non-current contract asset restated	69	71
Current contract asset as previously stated	–	–
Correction of error whereby Vacation Club is presented as a Contract asset**	19	19
Current contract asset restated	19	19
Trade and other receivables as previously stated	1 224	1 110
Reclassification of current tax receivable presented separately on the statement of financial position[$]	(107)	(94)
Trade and other receivables restated	1 117	1 016
Current tax receivable as previously stated	–	–
Reclassification of current tax receivable presented separately on the statement of financial position[$]	107	94
Current tax receivable restated	107	94
Non-current trade payables and accruals as previously stated	–	–
Reclassification correction*	123	115
Non-current trade payables and accruals restated	123	115
Non-current contract liabilities as previously stated	580	698
Reclassification correction*	(123)	(227)
Non-current contract liabilities restated	457	471
Current trade payables and accruals as previously stated	1 827	1 849
Reclassification correction*	(104)[$]	(33)[*,$]
Current trade payables and accruals restated	1 723	1 816
Current tax payable as previously stated	–	–
Reclassification of current tax payable presented separately on the statement of financial position[$]	104	145
Current tax payable restated	104	145
Deferred tax assets as previously stated	1 345	1 208
Correction between categories in deferred tax[^^]	(204)	(127)
Deferred tax assets restated	1 141	1 081
Deferred tax liabilities as previously stated	440	330
Correction between categories in deferred tax[^^]	(204)	(127)
Deferred tax liabilities restated	236	203

Statement of cash flows

The statement of cash flows was previously disclosed using both the direct and indirect method incorrectly. The prior year statement of cash flows was restated using only the indirect cash flow method. In the 2021 financial statements, the group disclosed cash generated by operations of R1 547 million before insurance receipts of R522 million, Vacation Club timeshare sales of R89 million and taxes paid of R449 million totaling R1 709 million. These figures have been combined in the current year's financial statements to reflect cash generated by operations for 2021 of R1 694 million (after the R15 million Vacation Club adjustment referred to below). Furthermore, the reconciliation of profit for the year to cash generated by operations is now presented on the face of the statement of cash flows, instead of in the notes.

In addition Contract asset outflow of R15 million was recognised as an addition to intangible assets, which resulted in prior year activities being different to the current year.

A Contract asset was recognised and restated to working capital, which was previously recognised as intangible assets. This resulted in prior year investing activities being different to current year.

R million	31 December 2021
Net cash inflow from operating activities as previously stated	1 709
Vacation Club error – additions	(15)
Net cash inflow from operating activities restated	**1 694**
Net cash outflow from investing activities as previously stated	(528)
Vacation Club error – additions	15
Net cash outflow from investing activities restated	**(513)**

^ Included in the reclassification is the Boardwalk Mall property to an IAS 40: Investment property due to more appropriate classification, however this has no impact on the statement of comprehensive income.
$ Current tax receivable and payable reclassified to be disclosed separately on the statement of financial position, this has no impact on the statement of comprehensive income.
* Other liabilities correctly reclassified from trade payables and accruals to contract liabilities in line with IFRS 15. This has no impact on the statement of comprehensive income.
** Reclassification correction from other liabilities to trade payables and accruals. This has no impact on the statement of Comprehensive Income.
^^ Included in the restatement is the reclassification of deferred tax balance between the deferred tax asset and liability and across the different categories of accelerated asset allowances/prepaid expenses, assessed losses, contract liabilities and trade and other accruals, which were previously misallocated. The restatement achieves a more appropriate disclosure of deferred tax and this restatement has no impact on the statement of comprehensive income.

HEADLINE EARNINGS AND ADJUSTED HEADLINE EARNINGS RECONCILIATION

for the year ended 31 December 2022

R million	31 December 2022	31 December 2021
Profit for the year	**555**	263
Net loss on disposal of property, plant and equipment	**15**	22
Net gain on deconsolidation of subsidiary	**–**	(12)
Tax relief on above items	**(9)**	(5)
Minorities' interests in the above items	**(2)**	(3)
Headline earnings	**559**	265
IFRS 9 debt extinguishment adjustment	**–**	(43)
Insurance claim received	**(28)**	(522)
Change in estimated redemption value of put option	**510**	184
Foreign exchange and net monetary losses*	**71**	28
Net loss on disposal of investment	**7**	–
Restructuring costs	**13**	10
Tax relief on above items	**(16)**	131
Minorities' interests in the above items	**(31)**	57
Adjusted headline earnings	**1 085**	110

* Relates to foreign exchange difference on US dollar denominated loans held by the Sun International company and Nigeria.

SUPPLEMENTARY INFORMATION
for the year ended 31 December 2022

	31 December 2022	31 December 2021
Number of shares for diluted EPS and HEPS calculation ('000)		
Weighted average number of shares in issue	**247 220**	249 441
Adjustment for dilutive share awards	**3 271**	1 626
Diluted weighted average number shares in issue	**250 491**	251 067
Group – earnings per share (cents)		
– basic earnings per share	**224**	105
– headline earnings per share	**226**	106
– adjusted headline earnings per share	**439**	44
– diluted basic earnings per share	**222**	105
– diluted headline earnings per share	**223**	106
– diluted adjusted headline earnings per share	**433**	44
Continuing – earnings per share (cents)		
– basic earnings per share	**224**	103
– headline earnings per share	**226**	109
– adjusted headline earnings per share	**439**	47
– diluted basic earnings per share	**222**	103
– diluted headline earnings per share	**223**	109
– diluted adjusted headline earnings per share	**433**	47
Discontinued – earnings/(loss) per share (cents)		
– basic earning per share	**–**	2
– headline loss per share	**–**	(3)
– adjusted headline loss per share	**–**	(3)
– diluted basic earnings per share	**–**	2
– diluted headline loss per share	**–**	(3)
– diluted adjusted headline loss per share	**–**	(3)

	31 December 2022	31 December 2021
ADJUSTED EBITDA RECONCILIATION		
Operating profit	**2 443**	1 309
Depreciation and amortisation	**828**	863
Adjusted headline earnings adjustments	**35**	(487)
Net loss on disposal of property, plant and equipment	**15**	22
Insurance proceeds	**(28)**	(522)
Net loss on disposal of investment	**7**	–
Restructuring costs	**13**	10
Other*	**28**	3
Adjusted EBITDA	**3 306**	1 685
Adjusted EBITDA margin (%)	**29.3**	21.6

* The consolidation of the Sun International Employee Share Trust has been reversed for the adjusted EBITDA reconciliation as the group did not receive the economic benefits of this trust.

R million	31 December 2022	31 December 2021
TAX RECONCILIATION		
Adjusted profit before tax before share of associate	**1 368**	574
Share of associates' profits	**–**	–
Adjusted profit before tax	**1 368**	574
Effective tax expense	**(603)**	(192)
Depreciation on non-qualifying buildings	**17**	17
Fair value adjustments	**–**	1
Non-deductible expenditure incurred to produce exempt income	**3**	–
Other non-deductible expenditure	**39**	26
Change in estimated redemption value of put option	**143**	52
Other exempt income	**(28)**	(11)
Exempt income – dividends received	**(4)**	–
Tax incentives	**(4)**	(2)
Tax losses not meeting the recognition criteria	**32**	26
Withholding tax	**–**	2
Interest adjustment on Latam tax provision	**–**	(6)
Adjustment for prior year deferred tax	**(7)**	(74)
Trust tax differential	**(2)**	–
Rate adjustment	**30**	–
Capital gains tax	**1**	–
Tax expense at South African corporate tax rate	**(383)**	(161)

Other metrics	31 December 2022	31 December 2021
Adjusted EBITDA to interest (times)	**6.51x**	2.67x
Borrowings to adjusted EBITDA (times) excluding IFRS 16	**1.84x**	4.03x
Net asset value per share (Rand)	**8.2**	6.9
Capital expenditure (R million)	**1 042**	586
Capital commitments (R million)	**2 551**	1 816
Interim dividend paid (cents)	**88**	–

SUMMARY SEGMENTAL INCOME ANALYSIS

for the year ended 31 December 2022

	Net gaming wins		Net gaming wins						Revenue from contracts with customers									
	Net gaming wins		Tables		Slots		Sun Slots and SunBet$		Total revenue		Rooms		Food and beverage		Other**		Total income	
R million	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
South African operations																		
GrandWest	**1 751**	1 243	**275**	138	**1 476**	1 105	**–**	–	**79**	92	**2**	1	**48**	20	**29**	71	**1 830**	1 335
Time Square	**1 273**	896	**380**	204	**893**	692	**–**	–	**180**	131	**42**	19	**94**	43	**44**	69	**1 453**	1 027
Sibaya	**1 289**	875	**335**	171	**954**	704	**–**	–	**66**	79	**8**	8	**38**	16	**20**	55	**1 355**	954
Carnival City	**848**	612	**185**	103	**663**	509	**–**	–	**53**	81	**7**	5	**23**	14	**23**	62	**901**	693
Boardwalk#	**397**	305	**49**	45	**348**	260	**–**	–	**85**	93	**24**	16	**49**	24	**12**	53	**482**	398
Meropa	**227**	173	**32**	19	**195**	154	**–**	–	**10**	58	**7**	5	**–**	9	**3**	44	**237**	231
Windmill	**195**	151	**23**	14	**172**	137	**–**	–	**9**	34	**–**	–	**8**	4	**1**	30	**204**	185
Flamingo	**114**	93	**10**	3	**104**	90	**–**	–	**10**	20	**–**	–	**10**	5	**–**	15	**124**	113
Golden Valley	**114**	101	**6**	7	**108**	94	**–**	–	**19**	33	**9**	6	**9**	7	**1**	20	**133**	134
Management companies	**–**	–	**–**	–	**–**	–	**–**	–	**399**	283	**–**	–	**–**	–	**399**	283	**399**	283
Intercompany management fees	**–**	–	**–**	–	**–**	–	**–**	–	**(390)**	(296)	**–**	–	**–**	–	**(390)**	(296)	**(390)**	(296)
Other operating segments	**–**	–	**–**	–	**–**	–	**–**	–	**9**	3	**–**	–	**–**	1	**9**	2	**9**	3
Carousel and Sun Carousel	**–**	–	**–**	–	**–**	–	**–**	–	**1**	11	**–**	–	**–**	–	**1**	11	**1**	11
Sun City	**516**	402	**139**	88	**377**	314	**–**	–	**1 120**	672	**443**	219	**375**	186	**302**	267	**1 636**	1 074
Wild Coast Sun	**384**	301	**50**	35	**334**	266	**–**	–	**124**	125	**34**	24	**52**	31	**38**	70	**508**	426
The Table Bay Hotel	**–**	–	**–**	–	**–**	–	**–**	–	**308**	126	**239**	74	**65**	29	**4**	23	**308**	126
The Maslow Sandton	**–**	–	**–**	–	**–**	–	**–**	–	**120**	53	**66**	27	**51**	21	**3**	5	**120**	53
Sun Slots	**1 491**	1 242	**–**	–	**–**	–	**1 491**	1 242	**15**	50	**–**	–	**–**	–	**15**	50	**1 506**	1 292
SunBet	**336**	181	**–**	–	**–**	–	**336**	181	**3**	1	**–**	–	**–**	–	**3**	1	**339**	182
Total South African operations	**8 935**	6 575	**1 484**	827	**5 624**	4 325	**1 827**	**1 423**	**2 220**	1 649	**881**	404	**822**	410	**517**	835	**11 155**	8 224
Nigeria and other^^	**62**	57	**14**	9	**48**	48	**–**	–	**85**	53	**46**	28	**36**	21	**3**	4	**147**	110
Total group operations	**8 997**	6 632	**1 498**	836	**5 672**	4 373	**1 827**	1 423	**2 305**	1 702	**927**	432	**858**	431	**520**	839	**11 302**	8 334

R million	31 December 2022	31 December 2021
**** Other:**		
Revenue within the scope of IFRS 15		
Time share income	**122**	108
Other income**	**192**	94
Other income excluded from the scope of IFRS 15 (Rental and Concessionaire income^)	**178**	115
Other income excluded from the scope of IFRS 15 (Insurance receipts)	**28**	522
Total	**520**	839

** Other income includes conferencing and entertainment revenue, management fees income, membership revenue, merchandise revenue and entrance fee revenue.
Time share income was separately shown out of Other income to provide additional detail.

^ Concessionaire income is based on an agreed percentage of that concessionaire's turnover.

\# Boardwalk includes Boardwalk Mall.

^^ Nigeria and other include Sun Chile, Sun Latam and SunBet Africa Holdings which are aggregated as they represent less than 2% of group revenue.

$ These two entities are no longer referred to as Alternate Gaming as they are LPM and online activities.

BORROWINGS

for the year ended 31 December 2022

R million	Debt	IFRS 16 lease liability	Total debt
South Africa	**5 901**	**805**	**6 706**
Nigeria	**746**	**–**	**746**
Total debt as at 30 December 2022	**6 647**	**805**	**7 452**
South Africa	6 389	869	7 258
Nigeria	700	–	700
Total debt as at 31 December 2021	7 089	869	7 958

CONTINGENT ASSETS AND LIABILITIES

The group is subject to commitments and contingencies, which occur in the normal course of business, including legal proceedings and claims that cover a wide range of matters. The group has the following exposures:

Nigeria

The Tourist Company of Nigeria continues to experience difficulties engaging with the tax authorities in Nigeria to confirm any tax principles to obtain certainty, or settle outstanding matters. The group with the assistance of its external tax and legal advisors has estimated the potential exposure of these disputes and other matters taken to the relevant local courts as R85 million (2021: R84 million). On consultation with these advisors, it has been established that it is not probable that TCN will be liable.

Dreams S.A. disposal price contingent receivable.

Management has assessed the fair value of this contingent asset as nil at 31 December 2022 (2021: nil). Refer to the group audited consolidate financial statements for further information.

ADDITIONAL INFORMATION

for the year ended 31 December 2022

Going concern

The IFRS Conceptual Framework states that going concern is an underlying assumption in the preparation of IFRS financial statements. Therefore, the financial statements presume that an entity will continue in operation in the foreseeable future or, if that presumption is not valid, disclosure and a different basis of reporting is required. The board of directors believes that, as of the date of this report, the going concern presumption is still appropriate and accordingly the group audited consolidated financial statements have been prepared on the going concern basis.

IAS 1 – Preparation of Financial Statements (IAS 1) requires management to perform an assessment of the group's ability to continue as a going concern. If management is aware of material uncertainties related to events or conditions that may cast significant doubt upon the group's ability to continue as a going concern, IAS 1 requires these uncertainties to be disclosed.

The directors' assessment of whether the group is a going concern was considered and the directors concluded that:

- the group and the company are solvent, with their assets exceeding their liabilities and are expected to remain solvent after considering the approved budget and expected performance;
- based on the short- and long-term forecasts (as per the budget approved by the group's board of directors), the group is expected to be able to meet all its short-term obligations through a combination of the cash generated by operations and the utilisation of the current facilities available to the group;
- as at 31 December 2022, South Africa's debt (excluding IFRS 16 lease liabilities) amounted to R5.9 billion and its debt to adjusted EBITDA ratio of 1.84 times. This is in compliance with the bank debt covenant requirement of a covenant ratio of less than 3.25 times. As at 31 December 2022, the interest cover ratio was compliant at 6.51 times which is above the required 3 times;
- there has been no event of default over the past 12 months on any of the company or group's debt facilities. No facilities previously available to the company or the group have been withdrawn and remain committed by our lenders; and
- the group has forecast that it will achieve the required debt to adjusted EBITDA and interest cover ranges as per the debt covenants agreed with its lenders for the following 12 months.

The board, after considering the factors described above, has concluded that the group and company will be able to discharge their liabilities as they fall due in the normal course of business and is therefore of the opinion that the going concern assumption is appropriate in the preparation of the group financial statements.

Subsequent events

There are no further subsequent events other than those disclosed herein and the dividend declaration below.

Final dividend declaration

Notice is hereby given that the Board has declared a final gross cash dividend of 241 cents (192.80000 cents net of dividend withholding tax) for the year ended 31 December 2022, payable to shareholders recorded in the register of the company at the close of business on the record date appearing below. The company did not declare a dividend in the prior comparative period. The dividend has been declared from reserves and therefore does not constitute a distribution of 'contributed tax capital' as defined in the Income Tax Act, 58 of 1962. A dividend withholding tax of 20% will be applicable to all shareholders who are not exempt.

The issued share capital at the declaration date is 262 052 195 ordinary shares. The salient dates for the final dividend will be as follows:

Declaration date	Monday, 13 March 2023
Last day to trade cum dividend	Tuesday, 28 March 2023
Shares commence trading 'ex' dividend	Wednesday, 29 March 2023
Record date	Friday, 31 March 2023
Payment date	Monday, 3 April 2023

Share certificates may not be dematerialised or rematerialised between Wednesday, 29 March 2023 and Friday, 31 March 2023, both days inclusive. Ordinary shareholders who hold dematerialised shares will have their accounts at their CSDP or broker credited or updated on 03 April 2023. Where applicable, dividends in respect of certificated shares will be transferred electronically to shareholders' bank accounts on the payment date. Where the transfer secretaries do not have the banking details of any certificated shareholders, the cash dividend will be held in trust by the transfer secretaries pending receipt of the relevant certificated shareholder's banking details after which the cash dividend will be paid via electronic transfer into the personal bank account of the certificated shareholder.

Sun International's tax reference number is 9875/186/71/1

Changes to the board of directors and social and ethics committee

The following changes to the company's board of directors took place during the year under review and post the balance sheet date.

Appointment

On 12 May 2022, Ms MLD Marole was appointed as an independent non-executive director of Sun International.

Retirements and resignation

On 31 March 2022, Mr PD Bacon retired as an independent non-executive director of the company. Ms BLM Makgabo-Fiskerstrand, an independent non-executive director, retired from the Sun International board at the 2022 annual general meeting of the company which took place on Tuesday, 10 May 2022. Furthermore, Mr Enrique Cibie, an independent non-executive director of the company, retired from the Sun International board effective 31 December 2022.

On 10 March 2023, Mr TR Ngara resigned as a member of Sun International's social and ethics committee.

Annual general meeting

Sun International's 39th annual general meeting will be held as a physical, in person meeting at The Maslow Hotel, corner Grayston Drive and Rivonia Road, Sandton on Tuesday, 9 May 2023 at 09h00 (South African time). For those shareholders wishing to participate in the annual general meeting by way of electronic communication, Sun International will, per the notice of annual general meeting, make available a Microsoft TEAMS call facility for these purposes. However, no provision will be made for shareholders to vote electronically at the annual general meeting and as such shareholders will need to complete and submit proxy forms to the transfer secretaries and/or meeting specialist before or at the start of the meeting. Further details regarding the company's annual general meeting will be contained in Sun International's annual statutory report to be posted to shareholders on or about 31 March 2023.

INDEPENDENT AUDITOR'S REPORT ON THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

To the shareholders of Sun International Limited

Opinion

The summary consolidated financial statements of Sun International Limited, which comprise the summary consolidated statement of financial position as at 31 December 2022, the summary consolidated statements of comprehensive income, changes in equity and cash flows for the year ended, and related notes, are derived from the audited consolidated financial statements of Sun International Limited for the year ended 31 December 2022.

In our opinion, the accompanying summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements of Sun International Limited, in accordance with the requirements of the JSE Limited Listings Requirements for preliminary reports, set out in the Accounting policies to the summary consolidated financial statements, and the requirements of the Companies Act of South Africa as applicable to summary financial statements.

Other matters

We have not audited future financial performance and expectations by management included in the accompanying summary consolidated financial statements and accordingly do not express any opinion thereon.

The consolidated financial statements of the group for the year ended 31 December 2021 were audited by another auditor who expressed an unmodified opinion on those statements on 14 March 2022.

Summary consolidated financial statements

The summary consolidated financial statements do not contain all the disclosures required by the International Financial Reporting Standards and the requirements of the Companies Act of South Africa as applicable to annual financial statements. Reading the summary consolidated financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited consolidated financial statements of Sun International Limited and the auditor's report thereon.

The audited consolidated financial statements and our report thereon

We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated 13 March 2023. That report also includes the communication of other key audit matters as reported in the auditor's report of the audited financial statements.

Director's responsibility for the summary consolidated financial statements

The directors are responsible for the preparation of the summary consolidated financial statements in accordance with the requirements of the JSE Limited Listings Requirements for preliminary reports, set out in the Accounting Policies to the summary consolidated financial statements, and the requirements of the Companies Act of South Africa as applicable to summary financial statements.

The Listings Requirements require preliminary reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council, and to also, as a minimum, contain the information required by IAS 34, *Interim Financial Reporting.*

Auditor's responsibility

Our responsibility is to express an opinion on whether the summary consolidated financial statements are consistent, in all material respects, with the consolidated audited financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), *Engagements to Report on Summary Financial Statements.*

DocuSigned by:
Deloitte & Touche
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Deloitte & Touche
Registered Auditor
Per: Carmeni Naidoo Bester
Partner
13 March 2023

5 Magwa Crescent
Waterfall City
Midrand
2090
South Africa

COMPANY INFORMATION

Registered office
6 Sandown Valley Crescent, Sandown, Sandton, 2196

Sponsor
Investec Bank Limited

Transfer secretaries
JSE Investor Services (Pty) Ltd (formerly Link Market Services South Africa (Pty) Ltd),
One Exchange Square, Gwen Lane, Sandown, Sandton, 2196

Directors
S Sithole (Chairman), GW Dempster (Lead Independent Director), AM Leeming (Chief Executive)*, N Basthdaw (Chief Financial Officer)*, CM Henry, SN Mabaso-Koyana, D Marole, TR Ngara, NT Payne (British), ZP Zatu Moloi

* Executive

The audited summary group financial statements and the group audited consolidated financial statements from which these have been derived from, were prepared under the supervision of the chief financial officer, N Basthdaw CA(SA).

Group company secretary
AG Johnston
10 March 2023

STUDIO Ⓢ

SUN INTERNATIONAL LIMITED
(Incorporated in the Republic of South Africa)
Registration number: 1967/007528/06
Share code: SUI
ISIN: ZAE 000097580
LEI: 378900835F180983C60
("Sun International" or "the company")

www.suninternational.com