

**TSOGO SUN HOTELS LIMITED**  
(Incorporated in the Republic of South Africa)  
(Registration number 2002/006356/06)  
JSE share code: TGO  
ISIN: ZAE000272522  
("Tsogo Sun Hotels" or "Group")



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## TRADING STATEMENT FOR THE YEAR ENDED 31 MARCH 2021

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Shareholders are advised that Tsogo Sun Hotels is scheduled to release its financial results for the year ended 31 March 2021 on or about 27 May 2021. In terms of paragraph 3.4(b) of the JSE Limited Listings Requirements, listed companies are required to publish a trading statement as soon as they are satisfied that a reasonable degree of certainty exists that the financial results for the period to be reported on, will differ by at least 20% from those of the prior comparative period, being 31 March 2021.

Shareholders are accordingly advised that:

- Revenue is expected to be between 72% and 76% lower (R3,222 million and R3,401 million lower), compared to the prior comparative period of R4,475 million.
- EBITDAR is expected to be between R1,516 million and R1,541 million lower compared to the prior comparative period of R1,352 million.
- Earnings per share ("EPS") is expected to be a loss of between 8% and 20% lower (between 67.6 cents and 77.7 cents) compared to the EPS loss of the prior comparative period of 84.5 cents.
- Headline earnings per share ("HEPS") is expected to be a loss of between 57.4 cents and 66.7 cents compared to the prior comparative period HEPS of 20.4 cents; and
- Adjusted HEPS is expected to be a loss of between 47.4 cents and 55.1 cents compared to the prior comparative period Adjusted HEPS of 26.2 cents.

EPS results are impacted by exceptional losses of R263 million (2020: R1,174 million) net of tax and non-controlling interests, the majority of which relates to fair value losses on the revaluation of the externally-managed investment properties in Hospitality Property Fund Limited, property, plant and equipment impairments of a number of hotels in South Africa and Offshore as well as impairments of Offshore investments. The majority of the quantum of these impairments are due to management's assessment of the negative impact of COVID-19 on forecast cash flows generated by the underlying hotels for the financial years ended March 2022 and March 2023, as well as the volatility in the bond market and increased in-country risk assessments that have had a material impact on discount rates across the portfolio. Excluding the impact of these exceptional items, HEPS and Adjusted HEPS are expected to be losses of between 57.4 cents and 66.7 cents and between 47.4 cents and 55.1 cents respectively, reflecting the difficult year with substantially reduced trading volumes.

Liquidity and access to facilities are of paramount importance and the Group has met the revised covenant requirements at the December 2020 and March 2021 measurement dates. The Group extended a R600 million general banking facility, of which R100 million was utilised at 31 March 2021, which was due to expire in June 2021, to June 2022. There are no other facilities expiring within the next 12 months. The lenders to both Tsogo Sun Hotels and the now wholly owned Hospitality Property Fund Limited have been supportive of the Group during this challenging period and have approved the covenant waivers for September 2021. As a consequence of these interventions and having reviewed the cash flow forecast, directors are of the view that the Group has sufficient resources to continue operations as a going concern in a responsible and sustainable manner.

The Group continues with the implementation of its Covid-19 action plan to contain costs and preserve cash.

The financial information on which this trading statement is based has not been reviewed and reported on by the Company's external auditors.

Fourways  
20 May 2021

**Sponsor to Tsogo Sun Hotels**  
Investec Bank Limited