**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**" or "**Company**")

## TRADING UPDATE FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2021

Shareholders are advised that Tsogo Sun Hotels is scheduled to release its unaudited financial results for the six months ended 30 September 2021 on or about 24 November 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 30 September 2020.

Shareholders are accordingly advised that:

- Revenue is expected to be between R895 million and R1.025 billion which is between R560 million and R690 million higher than revenue of R335 million in the prior comparative period;
- EBITDAR is expected to be a profit of between R130 million and R160 million which is between R336 million and R366 million higher than the EBITDAR loss of R206 million in the prior comparative period;
- Earnings per share ("EPS") is expected to be a loss per share of between 12.2 cents and 9.8 cents (an improvement of between 24% and 39%), compared to the prior comparative period loss per share of 16.2 cents;
- Headline loss per share ("HLPS") is expected to be between 12.2 cents and 9.8 cents (an improvement of between 70% and 76%), compared to the prior comparative period HLPS of 40.5 cents; and
- Adjusted HLPS is expected to be between 12.2 cents and 9.8 cents (an improvement of between 69% and 75%), compared to the prior comparative period Adjusted HLPS of 39.1 cents.

The overall improvement in trading compared to the prior comparative period is due to the extended hard lockdowns between April and June 2020 during which time the only revenue generated by the Group was from Covid-19 quarantine related business. The six-month period under review was negatively impacted by the severe third wave of Covid-19 infections during June and July 2021. General fear among travellers of contracting the highly contagious Delta variant negatively impacted trading in all regions setting the Group's recovery back significantly. Simultaneously, violent protests and civil unrest erupted in Gauteng but most materially for the Group, in KwaZulu-Natal which had been the Group's best performing region throughout the pandemic. The Group suffered no property damage as a result of the protests and the Group is grateful for the dedication and determination shown by our employees who ensured that guests, many of whom could not return home, were comfortable and safe.

Despite these setbacks, the Group was able to secure rights as the sole accommodation provider for the Castle Lager Lions Series tour to South Africa, the timing of which was ideal as it offset some of the revenue shortfall in July 2021. In addition, the Group recognised insurance proceeds (net of third-party operator share) of R162 million which is excluded from the revenue guidance provided above but included in the guidance for EBITDAR, and R118 million (net of tax) for EPS, HLPS and adjusted HLPS. This is consistent with the treatment of the insured losses which were not adjusted out of EBITDAR, EPS, HLPS or adjusted HLPS when they were incurred. These once-off gains played a vital role in improving the Group's liquidity position after the third wave of infections and violent protests.

The improvement in HLPS and adjusted HLPS from the prior comparative period is as a consequence of exceptional gains of R250 million recognised in the prior comparative period, the most material of which was the profit on the sale of the Group's 50% investment in the Maia Luxury Resort and Spa ("Maia") of R355 million which was deducted from both measures. The exclusion of the exceptional gains reflects the improvement in trading levels over the last six months with the Group's system-wide room sales in September 2021 increasing to 48% of pre-Covid levels achieved in September 2019.

Shareholders are further advised that the Group comfortably met its revised debt covenants for the June and September 2021 measurement periods and has secured waivers of the original debt covenants for the March 2022 measurement period from all lenders.

The financial information in this trading update has not been reviewed and reported on by the Group's external auditors, PricewaterhouseCoopers Inc.

Fourways
18 November 2021

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