

Tsogo Sun Hotels Limited
 Incorporated in the Republic of South Africa
 Registration number 2002/006356/06
 Share code: TGO ISIN: ZAE000272522
 (the company or the group)

Reviewed condensed consolidated financial statements for the year ended 31 March 2022

Southern Sun's key differentiator in South Africa is its wide distribution of quality hotel products

Financial results

- Full year occupancy at 30.6% (FY21: 12.2%)
- Ebitdar at R590 million (including R191 million insurance proceeds)
- Net debt reduced to R2 830 million
- R1.3 billion in liquidity maintained
- Covenant waivers secured for September 2022
- No final cash dividend declared

Supplementary information

	Change on	31 March 2022 Reviewed	31 March 2021 Audited
Income (Rm)	1 570	2 708	1 138
Ebitdar (Rm)	767	590	(177)
Attributable loss for the year (Rm)	740	(156)	(896)
Basic and diluted loss per share (cents)	62.1	(10.6)	(72.7)
Basic and diluted headline loss per share (cents)	55.3	(8.2)	(63.5)
Basic and diluted adjusted headline loss per share (cents)	43.4	(8.0)	(51.4)

	Change on	31 March 2022 Reviewed	31 March 2021 Audited
Net interest-bearing debt (Rm)	239	(2 830)	(3 069)

Prospects

While we are encouraged by the recent upward trend in trading, we are acutely aware that we are still trading at occupancies significantly below the group's long-term average. The group still faces several challenges, the most recent being the war in Ukraine, the flooding in KwaZulu-Natal (KZN) and the fifth Covid-19 wave. While the group has limited exposure to the Eastern Bloc markets in terms of revenue generation, the war's impact on global food and fuel pricing has an effect not only on the group but on our guests. With travel budgets reduced to save costs and individuals preserving disposable income in a rising interest rate environment, the increasing cost of transport due to rising fuel prices is a major travel deterrent, particularly for international and corporate travel which are the two segments missing from the group's recovery to pre-Covid levels.

The group suffered minimal damage to its properties as a consequence of the flooding in KZN and while room sales did decline during that period, the long-term damage to infrastructure is of concern.

However, we do feel that we have passed the significant milestone of moving from a state of survival to a period of recovery. Ultimately, the demand for travel should normalise and the resilience of local leisure and, to an extent, groups and conferencing business in recent quarters is encouraging.

And finally, having weathered multiple Covid-19 waves over the past two years, the fifth wave may delay our recovery further. A consolation is that the impact of each wave seems to be less severe and the rebound in trading activity is quicker. What is clear is that Covid-19 will remain with us for the foreseeable future and the only way to return to some

form of normality is to ensure that the majority of the South African adult population is vaccinated. For the hospitality industry in particular, ease and affordability of travel is of paramount importance as is the safety and confidence of tourists once they reach our shores and stay in our hotels. Recent amendments to government regulations seem to support this view while still responsibly managing the spread of the virus.

A promising development is that key hospitality events are back on the calendar, including the Mining Indaba held in Cape Town as well as the Africa Travel Indaba held in Durban, both in early May 2022. The group used the Africa Travel Indaba event to launch its rebranding to Southern Sun. Post the separate listing of the hotel group in June 2019, it became clear that the gaming and hotel groups operate in different markets and that the joint use of the Tsogo Sun brand was creating confusion. With the group having navigated the worst of the pandemic, it is an ideal time to re-establish the group as the leading hospitality group in the Southern hemisphere and draw on our rich 50-year history to embark on a new beginning and create excitement and optimism among our employees, suppliers and guests, all of whom have supported us throughout this most devastating period in the group's history.

Short-form announcement

This short-form announcement is the responsibility of the board of directors of the company. This short-form announcement is a summary of the full announcement released on SENS on 26 May 2022 and does not include full or complete details. The information contained in this announcement has not been reviewed or reported on by the company's auditors.

The condensed consolidated financial statements for the year ended 31 March 2022 have been reviewed by PricewaterhouseCoopers Inc., and their unmodified review conclusion is included on page 9 of the full announcement. The full announcement is available on the company's website www.southernsun.com/investors/financial-reports and can also be accessed using the following JSE link: <https://senspdf.jse.co.za/documents/2022/jse/isse/TGOE/YE22.pdf>

A copy of the full announcement may be requested from companysecretary@southernsun.com or the sponsor, Investec Bank at InvestecSponsorTeam@investec.co.za. Any investment decisions by shareholders should be based on a consideration of the full announcement, which shareholders are encouraged to view on SENS and on the company's website.

This announcement contains forward-looking statements and information in relation to the group. By its very nature, such forward-looking statements and information require the company to make assumptions that may not materialise or that may not be accurate. Such forward-looking information and statements involve known and unknown risks, uncertainties and other important factors beyond the control of the company that could cause the actual performance or achievements of the company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information and statements. Past share performance cannot be relied on as a guide to future performance. Forward-looking statements speak only as at the date of the announcement and no statement is intended to be a profit forecast. Forward-looking statements are the responsibility of the directors and have not been reviewed and reported on by the external auditors in accordance with ISAE 3400 The Examination of Prospective Financial Information.

26 May 2022

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