

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

SHORT-FORM ANNOUNCEMENT: CONDENSED UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022

Financial results

- Six month occupancy at 46.0%
- Total Ebitdar at R468 million
- Total adjusted headline profit R26 million
- Net debt reduced to R2.5 billion

Supplementary information

	2022	2021(1)	Change
	Unaudited	Unaudited	on
Income (Rm)	2 481	919	1 562
Rooms revenue	1 318	524	794
Food and beverage revenue	567	242	325
Property rental income	68	30	38
Other revenue(2)	528	123	405
Ebitdar (Rm)(2),(3)	449	139	310
Attributable profit/(loss) for the year (Rm)(2),(3)	335	(168)	503
Basic and diluted profit/(loss) per share (cents)	22.6	(11.0)	33.6
From continuing operations	22.0	(10.9)	32.9
From discontinued operations	0.6	(0.1)	0.7
Basic and diluted headline profit/(loss) per share (cents)	22.7	(10.8)	33.5
Basic and diluted adjusted headline profit/(loss) per share (cents)	1.2	(10.9)	12.1

(1) Restated for discontinued operations being the proposed sale of the group's entire 75.55% shareholding and shareholder loan claims in Ikoyi Hotels Limited which owns the Southern Sun Ikoyi hotel in Lagos, Nigeria.

(2) The once-off payment of R399 million received by the group from Tsogo Sun Gaming Limited on implementation of the Separation Agreement on 30 September 2022 (Separation Payment) has been included in other revenue in line with IFRS 15 and consequently, the after tax impact of R313 million is included in attributable earnings and headline earnings. The Separation Payment is exceptional in nature and outside of the group's normal business operations and accordingly, has been excluded from Ebitdar (pre-tax) and adjusted headline earnings (post-tax).

(3) Net business interruption proceeds of R162 million received in the six-month period ended 30 September 2021, has been excluded from revenue in line with IFRS 15 and included in Ebitdar. The after-tax impact of R118 million has been included in attributable earnings, headline earnings and adjusted headline earnings. This is consistent with the treatment of the insured losses which were not adjusted out of these performance measures.

Operational review

Trading levels during the first six months of the 2023 financial year have been encouraging with occupancy increasing to 46.0% from 21.9% in the prior comparative period and the group returning to profitability with adjusted headline earnings of R17 million and free cash flow of R191 million from continuing operations. During October 2022, the group achieved an occupancy of 59.2% across its owned hotel portfolio, the first time this level has been reached since March 2020 when the group initiated the deactivation of the majority of its portfolio in response to government regulation aimed at minimising the impact of the pandemic.

In the short term, the group remains optimistic that trading levels will continue to improve throughout the summer

season. Having recently completed our SunBreaks campaign, some interesting trends were highlighted. Sale bookings for Cape Town exceeded 2019 levels which we believe is due to the cost of flights - guests are booking early to secure cheaper flight prices. Sale bookings for KwaZulu-Natal, however, were below 2019 levels and indicated that there is still a trend towards shorter lead-time bookings, particularly where holiday destinations are closer and travel costs are affordable.

In the medium term and in the face of inflationary cost pressures, the group will continue to focus on maintaining the cost efficiencies that were achieved through the restructuring that took place in response to the pandemic. As cash generation improves, the intention is to complete certain of the refurbishment projects that were placed on hold, particularly at flagship properties so that we avoid downtime during high-demand periods.

#### Short-form announcement

This short-form announcement is the responsibility of the board of directors of Southern Sun. This short-form announcement is a summary of the full announcement released on SENS on 24 November 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 full announcement is available on the company's website [www.southern.sun.com/investors/financial-reports](http://www.southern.sun.com/investors/financial-reports) and can also be accessed using the following JSE link: <https://senspdf.jse.co.za/documents/2022/jse/isse/SSUE/Interim22.pdf>

A copy of the full announcement may be requested from [companysecretary@southern.sun.com](mailto:companysecretary@southern.sun.com) or the sponsor, Investec Bank. 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.

The condensed unaudited consolidated interim financial statements for the six months ended 30 September 2022 have not been reviewed and reported on by the group's external auditors, PricewaterhouseCoopers Inc. 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 board and have not been reviewed and reported on by the external auditors in accordance with ISAE 3400 - The Examination of Prospective Financial Information.

24 November 2022

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