Commentary

The year under review has been one of devastating lows and encouraging highs. The first half of the year was marred by the third wave of Covid-19 infections during June and July 2021 which resulted in severe restrictions aimed at controlling further spread and managing hospitalisations.

The banning of alcohol sales as well as domestic leisure travel to and from Gauteng, fuelled by a general fear among travellers of contracting the highly contagious Delta variant, negatively impacted trading in all regions, setting the group’s recovery back significantly. A further setback was the violent protests and civil unrest in both Gauteng, but most materially for the group, in KwaZulu-Natal (KZN). The KZN region, and specifically Durban, had been the group’s best performing region throughout the pandemic and the impact of the violence on the confidence of travellers was pronounced with system-wide room sales dropping to 55 280 in July 2021, or 21% of pre-Covid levels. The group suffered no property damage as a result of the riots in KZN and Gauteng; however, the negative impact on sentiment meant that the recovery in the corporate and international travel markets was further delayed.

Thanks to the group’s distribution and ability to co-ordinate large sporting events, we were 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. Thanks to South Africans being unable to travel abroad, the negative impact on December trading levels, particularly in the Western Cape, was less pronounced with international leisure travel being replaced by domestic leisure travel to some extent.

As the third wave subsided and restrictions were relaxed, trading activity increased during the second half of the year, with the group averaging 60% of pre-Covid system-wide room sales (refer table 1), due to support from the government, sports, groups and conferencing, and domestic leisure segments. This momentum was interrupted by the fourth wave of Covid-19 infections caused by the Omicron variant which resulted in South Africa again being placed on the United Kingdom’s red list on 26 November 2021 followed by other countries implementing travel restrictions on South Africa. Despite being removed from the red list relatively quickly, the damage to foreign inbound travel (FIT) for the summer season had been done. Thanks to South Africans being unable to travel, domestic leisure travel to some extent.

As it became clear that Omicron was milder than previous variants, booking pace improved and the group sold 231 587 rooms in March 2022, marking the first month where the group achieved over 200 000 room sales in South Africa since February 2020.

Contributing to this fourth quarter performance was strong support from government groups and various union elective conferences. In addition, various sporting events as well as buoyant domestic leisure travel over the public holidays in March, boosted results. The group generated Ebitdar (Earnings before interest, income tax, depreciation, amortisation, rent and related IFRS 16 rent adjustment, long-term incentives and exceptional items) of R445 million (75% of total group Ebitdar) and cash flow of R180 million (69% of total cash flow) during the second half of the year, reducing the group’s net debt level to R2.8 billion (2021: R3.1 billion) for the year ended 31 March 2022.

Table 1: South African system-wide portfolio – trend in sale of rooms

<table>
<thead>
<tr>
<th>Months</th>
<th>April</th>
<th>May</th>
<th>June</th>
<th>July</th>
<th>August</th>
<th>September</th>
<th>October</th>
<th>November</th>
<th>December</th>
<th>January</th>
<th>February</th>
<th>March</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total rooms – system-wide FY22</td>
<td>117 952</td>
<td>112 361</td>
<td>93 117</td>
<td>55 280</td>
<td>100 693</td>
<td>136 941</td>
<td>167 967</td>
<td>175 724</td>
<td>139 902</td>
<td>178 849</td>
<td>231 587</td>
<td></td>
</tr>
<tr>
<td>Total rooms – system-wide FY21</td>
<td>–</td>
<td>–</td>
<td>9 687</td>
<td>20 117</td>
<td>33 710</td>
<td>66 258</td>
<td>88 370</td>
<td>102 155</td>
<td>113 071</td>
<td>50 712</td>
<td>67 629</td>
<td>106 999</td>
</tr>
<tr>
<td>Total rooms – system-wide FY20</td>
<td>233 777</td>
<td>237 050</td>
<td>251 186</td>
<td>262 886</td>
<td>263 362</td>
<td>268 350</td>
<td>286 017</td>
<td>289 080</td>
<td>257 038</td>
<td>226 333</td>
<td>264 092</td>
<td>154 183</td>
</tr>
<tr>
<td>FY22 as % of FY20</td>
<td>49</td>
<td>47</td>
<td>37</td>
<td>21</td>
<td>38</td>
<td>48</td>
<td>59</td>
<td>61</td>
<td>68</td>
<td>62</td>
<td>68</td>
<td>150</td>
</tr>
</tbody>
</table>

1 The appropriate comparative to assess the group’s progress towards normalised trading levels is FY20 as this year reflects system-wide rooms sold pre-Covid.
Review of operations

Total income for the year ended 31 March 2022 of R2.7 billion (2021: R1.2 billion) ended R1.5 billion above the prior year with a R1.0 billion and R4.62 million increase in hotel rooms’ revenue and food and beverage revenue respectively. Other revenue decreased by R3 million to R246 million (2021: R249 million) and in the current year included revenue relating to contractual Covid-19-related revenue of R63 million (2021: R125 million relating to hotels used as quarantine and isolation facilities as well as sporting bio-bubbles). The group generated Ebitdar of R290 million (2021 Ebitdar loss: R177 million), a R767 million increase on the prior year and equating to an Ebitdar margin of 21.8%. Excluding insurance proceeds of R191 million received during the year, the group generated cash of R70 million at a 14.7% margin and 30.6% occupancy, highlighting the impact of the cost restructuring undertaken over the past two years.

Trading for the group’s South African hotels for the 12 months recorded system-wide (including owned and managed hotels but excluding externally managed hotels) revenue per available room (RevPar) of R341 (2021: R132) due to a 19.5 percentage points (pp) increase in occupancies from the prior period to 32.7% (2021: 13.2%) and a 3.8% increase in average room rates to R1 044 (2021: R1 006). Occupancy for the current and comparative year is expressed as a percentage of total rooms available irrespective of whether the hotel traded or not.

The management activities of the South African hotels, net of group corporate office costs, generated Ebitdar of R224 million (2021 loss: R27 million) for the year. This performance results from an R83 million increase in internal and external management fee income due to improved trading levels, insurance proceeds in the South African hotel division of R179 million and central office costs increases of R11 million.

Rental income from investment properties of R68 million (2021: R27 million) relates to the six remaining investment properties in Hospitality Property Fund Limited (Hospitality or HPF), five of which are hotels managed by third parties and the sixth is the Sandton Eye retail property. On a like-for-like basis and excluding the hotels that transferred to owner-occupied property, plant and equipment during the prior year (being The Westin Cape Town, Hazyview Sun, The Edward, Radisson Blu Gautrain Hotel, Southern Sun The Marine and Mount Grace Hotel & Spa) rental income improved by R65 million from a loss of R2 million in the prior year which reflects the improvement in trading largely from government, corporate groups and conferencing segments in the current year. Marriott vacated the Protea Hotel Victoria Junction in mid-October 2021 following which the group opted to close the hotel given the lack of demand in Cape Town. The hotel reopened as a Garden Court in February 2022.

The Trading income – HPF segment which reflects the trading performance of The Westin Cape Town and Radisson Blu Gautrain Hotel, generated revenue of R177 million (2021: R38 million) and Ebitdar losses of R7 million (2021 loss: R24 million) for the year ended 31 March 2022. FY21 results for the segment reflect six and five months’ trading from October 2020 and November 2020, respectively. The performance of these hotels in FY22 reflects their location in the Cape Town and Sandton nodes and their reliance on the international and corporate segments which suffered under the Covid-19 restrictions during the third wave of infections but recovered in the second half of the year. At The Westin Cape Town, the recovery in the corporate and groups segments during February and March 2022 exceeded expectations and converted an Ebitdar loss of R17 million for the six months to September 2021, to a profit of R3 million for the year ended 31 March 2022. The Radisson Blu Gautrain Hotel which is largely dependent on corporate travel and small groups, recorded an Ebitdar loss of R10 million for the year ended 31 March 2022, managing to reduce its Ebitdar loss to R2 million in the second half of the FY22 year compared to an Ebitdar loss of R8 million for the six months to September 2021.

Overall, revenue generated by the internally managed South African hotel portfolio owned and leased by the group for the year was R2.1 billion (2021: R904 million). This includes revenue from the Sandton Consortium hotels of R215 million (2021: R87 million).

All regions performed well this year relative to the prior year, given the extended hard lockdowns between April and June 2020. Sporting and government events made a significant contribution during the year, with the KZN region generating revenue and Ebitdar of R566 million (2021: R244 million) and R124 million (2021 Ebitdar loss: R17 million) respectively, due to continued support from domestic leisure and government business as well as the National Indigenous Games Festival which was held in Durban during September 2021 as part of Heritage month.

Similarly, revenue and Ebitdar from the Cape region was R572 million (2021: R185 million) and R73 million (2021 Ebitdar loss: R75 million) respectively for the year, supported by accommodation provided to students left stranded by the fires in Cape Town during April 2021, the Cape Town leg of the Castle Lager Lions Series tour, the opening of Parliament as well as the Cricket SA T20 Tournament in February 2022.

The inland region was hard hit by the third wave of Covid-19 infections and the negative sentiment caused by the violent protests, particularly in Gauteng, following the ban on leisure travel from the province. Outlying hotels recovered as government activity increased over the second half of the year, while the Sandton node continued to struggle with little recovery in corporate travel. As a result, this region recorded revenue of R697 million (2021: R334 million) and Ebitdar of R13 million (2021 Ebitdar loss: R56 million) for the year to 31 March 2022.

The other segment which includes the timeshare and SUN1 portfolios, generated revenue of R236 million (2021: R141 million) and Ebitdar of R43 million (2021: R17 million). While the SUN1 portfolio continues to experience depressed occupancy levels due to its reliance on transient business travel, the Resorts portfolio has continued to perform well throughout the Covid-19 pandemic due to its leisure-focused offering, benefiting from domestic clientele.

The internally managed segment recorded Ebitdar of R253 million (2021 loss: R131 million) for the year ended 31 March 2022. Ebitdar includes profits of R3 million (2021 Ebitdar loss: R10 million) relating to Mount Grace Hotel & Spa, Hazyview Sun, The Edward, Southern Sun The Marine and Garden Court Victoria Junction which were externally managed for various periods of time in the prior financial period.

Total revenue for the offshore division of hotels of R318 million (2021: R135 million) for the year largely relates to the Southern Sun Maputo, Mozambique which was the only owned hotel in the offshore portfolio that traded throughout the lockdown period; the Southern Sun Ikyo, Nigeria which has benefited from domestic leisure and business travel in the region; and
Paradise Sun which received substantial demand for travel from the European market, as Covid-19 restrictions eased. Zambia is reliant on corporate travel from South Africa and given the restrictions on international travel over the year, trading at the Southern Sun Ridgeway has remained muted since its opening in September 2020, and in response, expenses have been tightly controlled. In the owned offshore portfolio only the Southern Sun Dar es Salaam, Tanzania remains closed with Paradise Sun, Seychelles and the StayEasy Maputo, Mozambique having opened their doors in July 2021 and September 2021 respectively in response to easing of travel restrictions by the hotels’ source markets. The offshore division generated Ebitdar of R52 million (2021 loss: R22 million) which includes R12 million in insurance claims settled with Paradise Sun for business waves in October 2019.

Combined South African and offshore hotel trading statistics, excluding hotels managed on behalf of third-party owners and those leased by third parties in Hospitality, are as follows:

<table>
<thead>
<tr>
<th>For the year ended 31 March</th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Occupancy (%)*</td>
<td>30.6</td>
<td>12.2</td>
</tr>
<tr>
<td>Average room rate (R)</td>
<td>1 072</td>
<td>1 019</td>
</tr>
<tr>
<td>RevPar (R)</td>
<td>328</td>
<td>124</td>
</tr>
<tr>
<td>Rooms available ('000)*</td>
<td>5 008</td>
<td>4 769</td>
</tr>
<tr>
<td>Rooms sold ('000)</td>
<td>1 530</td>
<td>582</td>
</tr>
<tr>
<td>Rooms revenue (Rm)</td>
<td>1 641</td>
<td>595</td>
</tr>
</tbody>
</table>

* Occupancy for the current and prior periods is expressed as a percentage of total rooms available irrespective of whether the hotel traded or not.
* The increase in rooms available relates to the HPF investment properties transferred to property, plant and equipment during FY21 reflected as part of the group’s owned portfolio for a full 12-month period as well as the take-on of the Garden Court Victoria Junction with effect from October 2021.

Management has assessed the fair value of the group’s investment properties and assessed goodwill and property, plant and equipment for impairment by reviewing the cash flow forecasts (refer to note 3.1 “Basis of preparation of cash flow forecasts”), which we believe still adequately reflect the impact of Covid-19 on cash flows generated by the underlying hotels for the financial years ending March 2023 and March 2024; as well as various technical inputs including the 10Y bond yield of 9.5% at as at 31 March 2022 which has remained unchanged from the prior year. For further analysis, refer to notes 3 and 4.

Property and equipment rental expense of R16 million (2021 income: R9 million) represents the variable portion of lease payments including the impact of rent concessions. With effect from 1 April 2021 most of these rent concessions have ceased and leases have reverted to their original terms. Excluding the impact of IFRS 16, the group incurred cash rent of R144 million in the year compared to R106 million in the prior comparative year.

Exceptional losses for the period of R44 million (2021 loss: R80 million) relates mainly to restructuring costs of R4 million (2021: R36 million), property, plant and equipment impairments of R94 million (2021: R237 million), offset by fair value gains on the revaluation of externally managed investment properties in Hospitality of R55 million (2021 fair value loss: R99 million). The prior year also included the profit on sale of the group's 50% investment in United Resorts and Hotel Limited which owns the Maia Luxury Resort & Spa of R355 million.

Net finance costs of R358 million (2021: R346 million) includes interest on capitalised leases of R128 million (2021: R128 million) and have increased by R12 million due to increasing interest rates. The group accessed R100 million of its South African facilities at a favourable exchange rate (R13.56) to further reduce offshore debt balances and foreign exchange exposure to the US Dollar-denominated debt.

The share of profit from associates and joint ventures of R26 million (2021 loss: R128 million) increased by R154 million, mainly due to the group’s share of fair value losses on investment properties owned by International Hotel Properties Limited (IHL) of R100 million in the prior comparative period. In addition, the group’s share of trading profits (excluding exceptional items) of R15 million increased by R40 million from the prior year loss of R25 million. Hotel trading in the UK has recovered quickly, particularly in the regional markets.

The income tax credit for the year of R8 million (2021 credit: R148 million) represents mainly due to the tax expense of R52 million raised on the insurance proceeds received during August 2021 as well as increased trading levels in the second half of the year. The group operating subsidiaries remain in assessed loss positions and deferred income tax assets amounting to R298 million have been recognised to the extent that the realisation of the related tax benefit through future taxable profits is probable.

Group adjusted headline losses for the year at R118 million (2021 loss: R633 million) has improved by R515 million. The adjustments include the reversal of the post-tax and non-controlling interest impacts of the exceptional gains noted above. The weighted average number of shares in issue increased as a result of the prior year acquisition of all Hospitality shares in issue in exchange for 417 million TGO shares and the resultant adjusted headline loss per share recorded is 8.0 cents (2021 loss: 51.4 cents).

Net cash generated from operations for the year of R280 million (utilised in 2021: R394 million) comprises profit before interest and income tax of R168 million (2021 loss: R656 million) adjusted for non-cash movements of R478 million (2021: R455 million), decreases in working capital of R19 million (2021 increase: R195 million), net finance costs of R338 million (2021: R346 million) and income tax paid of R9 million (2021: R42 million). Cash flows utilised in investment activities of R40 million (generated in 2021: R422 million) consisted mainly of capital expenditure of R48 million. Interest-bearing debt net of cash at 31 March 2022 totalled R2.8 billion, which is R238 million less than the 31 March 2021 balance of R3.1 billion.

**Funding capacity and covenants**

The group’s liquidity and access to facilities are of paramount importance and, as previously reported, revised covenants were introduced at company level which establishes a maximum rolling 12-month negative Ebitda (Earnings before interest, income tax, depreciation, amortisation, IFRS 16 rent adjustments,
Commentary continued

long-term incentives and exceptional items) level. In addition, a minimum liquidity level of R500 million is required, which includes available facilities and cash on hand. An event of default will occur if both the Ebitda and liquidity covenants are breached in one of the measurement periods or the Ebitda covenant is breached for two consecutive measurement periods. During the year under review, these covenants were measured quarterly and the company comfortably met the minimum Ebitda and liquidity thresholds on all occasions. At Hospitality level, lenders introduced a minimum liquidity covenant of R125 million including available facilities and cash on hand during the prior year. Similarly, Hospitality has met these minimum liquidity requirements.

Lenders have been very supportive of the group during this challenging period and have approved the covenant waivers for September 2022 on the basis that the rolling negative Ebitda threshold at company level be reduced to between R326 million (June 2022 measurement period) and R243 million (September 2022 measurement period) and that revised covenants continue to be measured on a quarterly basis. The terms of the revised waiver relating to an event of default remain the same as described above.

In order to assess asset fair values, property, plant and equipment and goodwill impairments, as well as the group’s ability to continue as a going concern, management prepared detailed five-year cash flow forecasts (for further detail refer to note 3.1.2 “Basis of preparation of cash flow forecasts” as well as the note 12 “Going concern” section). Based on the current improved trading levels and the forecasts that indicate some recovery in the corporate, conferencing and international segments during the 2022 calendar year, once the fifth wave of Covid-19 infections has passed, management believes that the company should meet these revised covenant levels.

The group extended debt facilities and corporate bonds maturing prior to 31 March 2023 by 12 months to ensure that solvency requirements are met and that the group can meet its obligations as they become due. In HPF, Note 11, maturing on 31 March 2023 (R600 million), was replaced with Note 14 on the same terms and conditions maturing on 31 March 2024. In addition, a term loan (R500 million fully utilised facility maturing on 31 August 2022) and an RCF facility (R500 million facility maturing on 19 December 2022 of which R200 million was utilised at 31 March 2022) were extended on the same terms and conditions to 31 August 2023 and 19 December 2023, respectively. The company extended its R600 million facility, of which R200 million was utilised at 31 March 2022, on the same terms and conditions to 30 June 2023. Terms have also been agreed with lenders to refinance the US$2 million Mozambican Medical facilities (R27 million) and extend the maturity date to 31 March 2025. These extensions will allow the group time to refinance and simplify the structure of its funding package.

On 23 February 2022, Global Credit Ratings downgraded Hospitality’s long and short-term credit rating to BB+/B+/rrn respectively. Concurrently, the ratings assigned to the Senior Secured Notes issued by Hospitality have been downgraded to A-(DOUG) from A-(PUG). The outlook on all the ratings has been maintained on Rating Watch Negative. The downgrade to Hospitality reflects the uncertain environment in which it operates, as income remains constrained due to prolonged industry recovery.

Going concern

The reviewed condensed consolidated annual financial statements are prepared on the going-concern basis. Based on the cash flow forecasts, available cash resources and the other measures the group has taken, or plans to take, as detailed herein, management believes that the group has sufficient resources to continue operations as a going concern in a responsible and sustainable manner.

As at 31 March 2022, the group has net cash and cash equivalents of R665 million, net of bank overdrafts (2021: R407 million). The group has R3.5 billion (2021: R3.5 billion) of gross interest-bearing debt (excluding capitalised lease liabilities) and access to R1.3 billion in undrawn facilities to meet its obligations as they become due.

In preparing the cash flow forecasts utilised to assess going concern, the impact of the Covid-19 pandemic on the group’s operations and liquidity was considered. Given the uncertainty around trading levels, management incorporated a 10% revenue contingency into the forecasts. This contingency cannot be attributed to any division but has been incorporated at group level to stress test the group’s going-concern assumption. Even after incorporating this contingency, the group can meet its debt obligations.

The board of directors of the company (directors) has assessed the cash flow forecasts together with the other actions taken or proposed by management and is of the view that the group has sufficient liquidity to meet its obligations and to counteract any negative effects that Covid-19 may have on the group’s operations in the next financial year.

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 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. Follow the Sun.

**Dividend**

The directors considered it prudent to retain cash resources to ensure that the group is able to meet its obligations until trading normalises. In line with the conditions of the covenant waivers received from lenders, the directors have not declared a final cash dividend for the year ended 31 March 2022.

**Events occurring after balance sheet date**

The directors are not aware of any other matter or circumstance arising since the balance sheet date and the date of this report other than the matters disclosed in note 11 of these reviewed condensed consolidated financial statements, which are non-adjusting events and have no impact on the results for the year ended 31 March 2022.

**Presentation**

Shareholders are advised that a presentation on the results for the year ended 31 March 2022 will be held on Friday, 27 May 2022 at 10:00 via Microsoft Teams, and those wishing to join can find the link to the presentation on the company’s website at www.southernsun.com/investors.

M von Aulock
Chief Executive Officer
26 May 2022

L McDonald
Chief Financial Officer
26 May 2022

**To the Shareholders of Tsogo Sun Hotels Limited**

We have reviewed the condensed consolidated financial statements of Tsogo Sun Hotels Limited, set out on pages 10 to 32 of the provisional report, which comprise the condensed consolidated balance sheet as at 31 March 2022 and the related condensed consolidated income statement, condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated cash flow statement for the year then ended, and selected explanatory notes.

**Directors’ Responsibility for the Condensed Consolidated Financial Statements**

The directors are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with the requirements of the JSE Limited Listings Requirements for provisional reports, as set out in note 1 to the financial statements, and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor’s Responsibility**

Our responsibility is to express a conclusion on these financial statements. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2410, which applies to a review of historical financial information performed by the independent auditor of the entity. ISRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the financial statements are not prepared in all material respects in accordance with the applicable financial reporting framework. This standard also requires us to comply with relevant ethical requirements.

A review of financial statements in accordance with ISRE 2410 is a limited assurance engagement. We perform procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluate the evidence obtained. The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these financial statements.

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements of Tsogo Sun Hotels Limited for the year ended 31 March 2022 are not prepared, in all material respects, in accordance with the requirements of the JSE Limited Listings Requirements for provisional reports, as set out in note 1 to the financial statements, and the requirements of the Companies Act of South Africa.

PricewaterhouseCoopers Inc.
Director: Pietro Calicchio
Registered Auditor
Johannesburg
26 May 2022