REVIEWED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

Continuing operations	**Year ended 31 March 2022 Rm**	Year ended 31 March 2021 Rm	Change on prior year %	Year ended 31 March 2020 Rm	Change on 31 March 2020 %
Income	**8 938**	5 686	57	11 686	(23)
Operating costs	**(5 810)**	(3 945)	(47)	(7 681)	24
EBITDA	**3 128**	1 741	80	4 005	(22)
EBITDA margin	**35%**	31%	4pp	34%	1pp
Adjusted EBITDA (including leases)	**3 045**	1 660	83	3 883	(22)
Net finance cost (excluding leases)	**(735)**	(911)	19	(1 062)	31
Headline earnings/(loss)	**1 153**	(32)	–	1 284	(10)
Adjusted EBITDA to HE conversion rate	**38%**	(2%)	40pp	33%	5pp
Dividend per share (cents)	**–**	–	–	26	(100)
Capex and investments	**(267)**	(161)	(66)	(1 178)	77
NIBD and guarantees	**(9 040)**	(10 931)	17	(11 442)	21

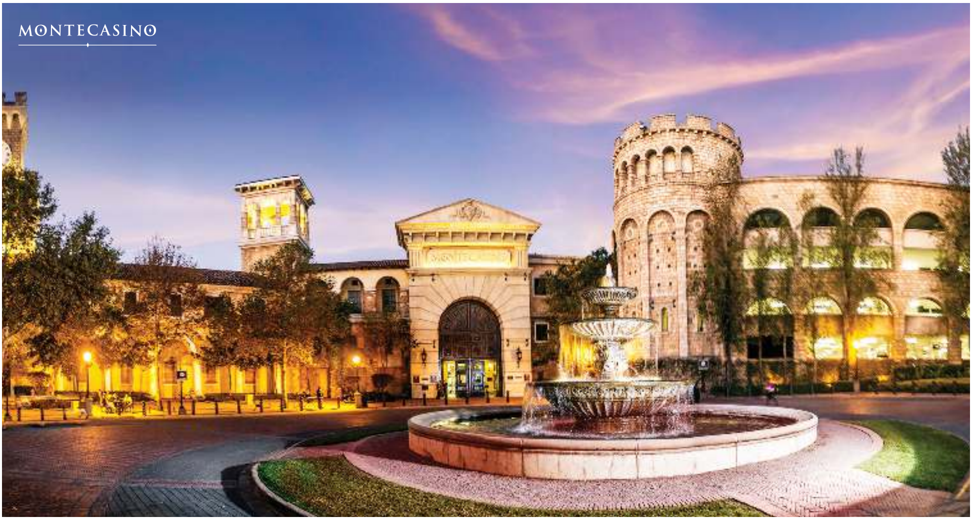
TSOGO SUN GAMING

Tsogo Sun Gaming Limited
(Incorporated in the Republic of South Africa)
(Registration number 1989/002108/06)
Share code: TSG ISIN: ZAE000273116
JSE Alpha code: TSGI
("Tsogo Sun Gaming" or "the company" or "the group")

www.tsogosungaming.com

Six months comparison

for the year ended 31 March 2022



	Six months ended 30 September 2021 Rm	Six months ended 31 March 2022 Rm	**Year ended 31 March 2022 Rm**
Income	3 823	5 115	**8 938**
Operating costs	(2 543)	(3 267)	**(5 810)**
EBITDA	1 280	1 848	**3 128**
EBITDA margin	33%	36%	**35%**
Adjusted EBITDA (including leases)	1 243	1 802	**3 045**
Net finance cost (excluding leases)	(398)	(337)	**(735)**
Headline earnings	323	830	**1 153**
Adjusted EBITDA to HE conversion rate	26%	46%	**38%**
Capex and investments	(113)	(154)	**(267)**
NIBD and guarantees	(10 262)	(9 040)	**(9 040)**

Commentary

REVIEW OF OPERATIONS

Back within original debt covenants

R1.9 bn reduction in net debt

Debt and covenants

Despite over two years of various restrictions and closures affecting the business as a result of the COVID-19 pandemic, the group was within its original net leverage covenants for the 12 months ended 31 March 2022. The net debt to adjusted EBITDA ratio for the year, as measured for covenant purposes, amounted to 2.89 times, the required covenant being less than 3.0 times.

The additional conditions that were imposed as a result of the covenant resets fell away from 1 April 2022, including the requirement of reporting to the group's lenders on a monthly basis, the requirement of submitting a business plan if a material part of the business were to be locked down for 30 days cumulatively, the limitations around permitted acquisitions and the imposition of a further quarterly margin ratchet.

The declaration of dividends has been placed back within the control of the Board of Directors, subject to the group assessing the projected financial position for the subsequent two measuring periods as per the group's original common terms agreement.

With the focus for the year under review being on cash generation and a return to being within covenants, the group managed to reduce its net interest-bearing debt and guarantees significantly by R1.9 billion from R10.9 billion at 31 March 2021 to R9.0 billion at 31 March 2022.

The group's medium-term target is to reduce its net debt levels to lower than a 2.0 times multiple of adjusted EBITDA, thereby reducing risk and funding costs further.

At the date of this report, the directors are not aware of any circumstances whereby the group should not be able to achieve the original covenant requirements for September 2022.

The R2.9 billion three-year debt tranche, which is due for repayment in November 2022, was reduced to R2.2 billion on 28 February 2022 due to a voluntary prepayment of R0.7 billion, and a further voluntary prepayment of R0.5 billion is scheduled for 31 May 2022, which will further reduce the November 2022 tranche to R1.7 billion. The group has liquidity of approximately R2.5 billion in available facilities.

Financial

The total income generated for the 2022 financial year was R8.9 billion (up 57% compared to the prior year), EBITDA was R3.1 billion (up 80%) and adjusted EBITDA (after IFRS 16 adjustments) was R3.0 billion (up 83%, but still some 22% below pre-COVID-19 levels).

Net finance costs (excluding leases) for the year amounted to R735 million, a significant decrease from R911 million, for the prior year. R3.5 billion interest rate swap hedges remain in place.

Headline earnings achieved for the year was R1.15 billion compared to a R32 million headline loss in the prior year. This equates to an adjusted EBITDA to headline earnings conversion ratio of 38% (-2% for the 2021 and 33% for the 2020 financial years).

Included in headline earnings is the release of a net deferred tax liability of R44 million as a result of the change in the corporate taxation rate from 1 April 2022. Also included, is the negative impact of a complete closure from 28 June 2021 to 25 July 2021 as a result of the COVID-19 pandemic, partially offset by R111 million of business interruption insurance proceeds.

A remarkable EBITDA margin of 35% was achieved for the 2022 financial year.

Casinos

Management continued to focus on operational efficiencies during the reporting period, with some initiatives still ongoing. It is inevitable that certain costs will increase in the new financial year, inter alia, salary costs, the return to pension contributions following the expiry of the pension fund holiday in April 2022, insurance premiums, utility costs and various other. The visibility of where the operating cost base will settle should hopefully be clearer by the 2023 financial year end.

The casino division has adapted well in coping with the restrictive environment, but the uncertainty of restrictions on the industry has not been completely eliminated as yet.

The lifting of the curfew and the relaxation of social distancing measures presents the casinos with an opportunity to drive performance in line with demand, which has not reached pre-COVID-19 levels as yet.

Other income streams, comprising mainly food and beverage, rooms, Theme Park, tenanting, dividends and cinemas, showed some good signs of recovery during the second half of the year, but overall these income streams have been affected more severely than net gaming win.

The casino division, being the largest division in the Tsogo Sun Gaming stable, has proven its resilience over the past two years despite lockdowns, trading and other restrictions, riots, flooding, load shedding and a fragile economy. It is however clear that without the cost savings achieved since July 2019, the casinos would have experienced a much harder landing.

During the 2023 financial year, the Gold Reef City precinct eventing space will be improved to play a more significant role in the Gauteng hospitality market. This should positively contribute to the results in the following financial year. Subject to certain conditions precedent, the group will also be incorporating 15 of its 17 hotels into its own management and operational structure, and the remaining two hotels will be disposed of. Managing our own assets should improve efficiency.

Bingo

With the lifting of the curfew and less strenuous social distancing requirements, the bingo division is finally clawing back some of the losses suffered over the past two years. The trading of the division is continuing to improve, but is still below pre-COVID-19 levels.

Limited Pay Out Machines ("LPMs")

The LPM division achieved record EBITDA of more than R500 million for the financial year despite the restrictive regulations, including curfews and alcohol bans affecting restaurants and bars. This strong performance has continued subsequent to the year end.

We are positive about the potential upside; however, the lead times for the purchase and delivery of machines and parts and the ongoing regulatory red tape regarding the rollout of LPMs may constrain the growth which could be achieved in the short term.

DIGITAL, ONLINE AND TECHNOLOGY

Developments within the digital, online and technology space are progressing well. We envisage having more visibility in the market in this regard later in the 2023 financial year, and particularly in the 2024 financial year.

It is clear that betting on online casino games is proliferating, and the Western Cape Gambling and Racing Board is in the process of implementing betting on online slot products by betting operators. Exponential growth of the online betting market on casino type games should be expected for the foreseeable future.

CAPITAL EXPENDITURE, INVESTMENTS AND SALE OF ASSETS

Capital expenditure ("capex") and investments cash outflow for the 2022 financial year amounted to R267 million.

An approximate amount of R550 million has been budgeted for capex projects for the 2023 financial year of which R120 million has been contracted for. The budgeted capex comprises mostly gaming equipment, general maintenance capex and trial solar projects. Refurbishments at the various casino precincts remain limited to small-scale improvements.

Furthermore, R240 million has been set aside for the 2023 financial year for concluded acquisitions which are subject to regulatory approvals. In addition, a net amount of R257 million has been allocated towards the potential incorporation of the 15 hotels of the group into its own management and operational structure, and the potential disposal of the remaining two hotels.

Assets realised during the financial year amounted to R30 million. Additional non-core assets, comprising mainly surplus land, are held for sale and will be disposed at acceptable prices.

REGULATORY

There were no significant changes to the regulatory risks facing the industry.

The health department has published proposed regulations in terms of the National Health Act relating to the surveillance and control of notifiable medical conditions (such as COVID-19) for comment which if promulgated could impact operations in future.

DIVIDEND

The Board of Directors has decided to postpone the decision of the possible declaration of a final dividend in respect of the year ended 31 March 2022, until the Board meeting to be held in August 2022.

PROSPECTS

The 2023 financial year may still be impacted by government's response to the pandemic. In the aftermath of the pandemic, the July 2021 riots and the recent flooding in KwaZulu-Natal, the return to a new normal will reveal how discretionary spend has been impacted.

Commentary *continued*

Ancillary offerings at the casino precincts have improved steadily since October 2021 with improved contributions being made towards revenue generated, but as with net gaming win, falling short of pre-COVID-19 levels.

The group is well positioned to deliver strong headline earnings with the improved cost base at casino precincts and the head office, regardless of whether revenue growth is achieved, provided that severe restrictions are not once again imposed.

The LPM division's strong performance should be bolstered by the rollout of additional machines which is gathering momentum for the first time in two years.

It should be noted that the October 2021 to December 2021 and January 2022 to March 2022 quarterly results were not significantly different.

The performance for the month of April 2022 based on management accounts (being the first month of the 2023 financial year) is as follows:

	Month April 2022 Rm
Income	**860**
EBITDA	**297**
EBITDA margin	**35%**
Adjusted EBITDA (including leases)	**289**
NIBD and guarantees at period end	**(8 765)**

The effort to further reduce debt to the targeted less than 2.0 times net debt to adjusted EBITDA ratio, will continue.

With potential acquisitions, a new online platform, the potential in-house management of the group's hotels, an improved hospitality offering at the Gold Reef City precinct, trial solar projects and various other initiatives, 2023 is set to be a busy, but exciting, year. The group's focus is transitioning away from survival mode to building an improved, sustainable business for the future.

We thank all affected stakeholders who supported us over the extremely tough past two years and we particularly express our appreciation to our lenders who assisted in placing Tsogo Sun Gaming in a much stronger position today.

CG du Toit
Chief Executive Officer

G Lunga
Chief Financial Officer

26 May 2022

INDEPENDENT AUDITOR'S REVIEW REPORT ON CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders of Tsogo Sun Gaming Limited

We have reviewed the condensed consolidated financial statements of Tsogo Sun Gaming Limited, set out on pages 8 to 26 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 Gaming 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.

PricewaterhouseCoopers Inc.
Director: S Murugen
Registered Auditor
Johannesburg, South Africa

26 May 2022

Condensed consolidated income statement

for the year ended 31 March

	2022 Reviewed Rm	2021 Audited Rm
Net gaming win	**7 779**	5 253
Food and beverage revenue	**365**	141
Rooms revenue	**303**	125
Other revenue	**219**	73
Other income	**272**	94
Income	**8 938**	5 686
Gaming levies and Value Added Tax	**(1 708)**	(1 138)
Employee costs	**(1 489)**	(1 032)
Other operating expenses	**(2 580)**	(1 745)
Amortisation and depreciation	**(783)**	(844)
Impairment reversal of non-current assets	**298**	129
Impairment of non-current assets	**(10)**	(12)
Fair value adjustment of investment properties	**10**	(67)
Operating profit	**2 676**	977
Finance income	**26**	19
Finance costs	**(792)**	(963)
Share of profit/(loss) of associates	**2**	(8)
Profit before income tax	**1 912**	25
Income tax (expense)/credit	**(478)**	3
Profit for the year	**1 434**	28
Profit attributable to:		
Equity holders of the company	**1 405**	21
Non-controlling interests	**29**	7
	1 434	28
Basic and diluted earnings attributable to the ordinary equity holders of the company per share (cents)	**134.3**	2.0

Condensed consolidated statement of comprehensive income

for the year ended 31 March

	2022 Reviewed Rm	2021 Audited Rm
Profit for the year	**1 434**	28
Other comprehensive income for the year, net of tax		
Items that may be reclassified subsequently to profit or loss:	**137**	(29)
Cash flow hedges	**189**	(41)
Income tax relating to items that may subsequently be reclassified to profit or loss	**(52)**	12
Items that may not be reclassified subsequently to profit or loss:	**139**	(296)
Equity instruments at FVOCI fair value adjustment	**139**	(223)
Income tax relating to items that may not subsequently be reclassified to profit or loss[1]	**–**	(73)
Total comprehensive income/(loss) for the year	**1 710**	(297)
Total comprehensive income/(loss) attributable to:		
Equity holders of the company	**1 681**	(304)
Non-controlling interests	**29**	7
	1 710	(297)

[1] *During the prior year, the deferred tax on the group's equity instruments at FVOCI was reversed due to the future profitability of the respective holding entity not being anticipated to produce taxable income in the foreseeable future and therefore the deferred tax asset was no longer considered fully recoverable*

Condensed consolidated balance sheet

as at 31 March

	Notes	2022 Reviewed Rm	2021 Audited Rm
ASSETS			
Non-current assets			
Property, plant and equipment		**8 109**	8 560
Right-of-use assets		**237**	224
Investment properties	5.1	**374**	350
Goodwill	4.3	**1 461**	1 461
Other intangible assets	4.4	**3 183**	2 903
Investments in associates		**27**	33
Financial assets at FVOCI	5.2	**814**	675
Non-current receivables		**50**	52
Deferred income tax assets		**92**	130
		14 347	14 388
Current assets			
Inventories		**70**	81
Trade and other receivables[1]		**392**	531
Current income tax assets		**73**	100
Cash and cash equivalents		**852**	516
		1 387	1 228
Assets classified as held for sale		**46**	59
Total current assets		**1 433**	1 287
Total assets		**15 780**	15 675
EQUITY			
Capital and reserves attributable to equity holders of the company			
Ordinary share capital and premium		**6 487**	6 487
Other reserves		**(4 185)**	(4 461)
Retained income/(accumulated losses)		**850**	(555)
Total shareholders' equity		**3 152**	1 471
Non-controlling interests		**120**	113
Total equity		**3 272**	1 584
LIABILITIES			
Non-current liabilities			
Interest-bearing borrowings	6.1	**7 400**	10 300
Lease liabilities	6.2	**295**	266
Derivative financial instruments	5.3	**82**	228
Deferred income tax liabilities		**1 259**	1 107
Provisions and other liabilities		**98**	42
		9 134	11 943
Current liabilities			
Interest-bearing borrowings	6.1	**2 351**	1 007
Lease liabilities	6.2	**42**	40
Trade and other payables[1]		**961**	1 068
Current income tax liabilities		**20**	33
		3 374	2 148
Total liabilities		**12 508**	14 091
Total equity and liabilities		**15 780**	15 675

[1] *Reductions in trade and other receivables and trade and other payables are mainly due to the receipt of the business interruption reinsurance recoveries by the group of R174 million and the settlement of the business interruption insurance claims by the group of R177 million respectively – refer note 7* Related party transactions

Condensed consolidated statement of changes in equity

for the year ended 31 March

	Attributable to equity holders of the company					
	Ordinary share capital and premium Rm	Other reserves Rm	Retained earnings/ (accumulated losses) Rm	Total Rm	Non-controlling interests Rm	Total equity Rm
Balance at 31 March 2020 (audited)	6 487	(4 081)	(576)	1 830	126	1 956
Total comprehensive income	–	(325)	21	(304)	7	(297)
Profit for the year	–	–	21	21	7	28
Other comprehensive income	–	(325)	–	(325)	–	(325)
Acquisition of common control entity	–	(35)	–	(35)	(18)	(53)
Acquisition of non-controlling interests	–	(20)	–	(20)	6	(14)
Ordinary dividends	–	–	–	–	(8)	(8)
Balance at 31 March 2021 (audited)	**6 487**	**(4 461)**	**(555)**	**1 471**	**113**	**1 584**
Total comprehensive income	–	276	1 405	1 681	29	1 710
Profit for the year	–	–	1 405	1 405	29	1 434
Other comprehensive income	–	276	–	276	–	276
Ordinary dividends	–	–	–	–	(22)	(22)
Balance at 31 March 2022 (reviewed)	**6 487**	**(4 185)**	**850**	**3 152**	**120**	**3 272**

Condensed consolidated cash flow statement

for the year ended 31 March

	2022 Reviewed Rm	2021 Audited Rm
Cash flows from operating activities		
Profit before income tax	**1 912**	25
Non-cash movements and other income allocations	**1 323**	1 596
(Decrease)/increase in working capital	**(50)**	55
Cash generated from operations	**3 185**	1 676
Finance income	**20**	17
Finance costs[1]	**(1 184)**	(565)
Income tax paid	**(326)**	(110)
Dividends paid to non-controlling interests	**(16)**	(7)
Dividends received	**62**	–
Net cash generated from operating activities	**1 741**	1 011
Cash flows from investment activities		
Purchase of property, plant and equipment	**(252)**	(145)
Proceeds from disposals of property, plant and equipment	**14**	33
Proceeds from disposals of non-current assets held for sale	**16**	–
Proceeds from insurance claims for capital assets	**20**	–
Additions to investment properties	**(14)**	(1)
Purchase of intangible assets	**(1)**	(15)
Common control acquisitions, net of cash acquired	**–**	(44)
Other loans granted	**(2)**	(2)
Net cash utilised for investment activities	**(219)**	(174)
Cash flows from financing activities		
Borrowings raised	**–**	650
Borrowings repaid	**(1 170)**	(1 500)
Principal elements of lease payments	**(31)**	(24)
Acquisition of non-controlling interests	**–**	(8)
Decrease in amounts due by share scheme participants	**1**	–
Net cash utilised for financing activities	**(1 200)**	(882)
Net increase/(decrease) in cash and cash equivalents	**322**	(45)
Cash and cash equivalents at beginning of the year, net of bank overdrafts	**458**	503
Cash and cash equivalents at end of the year, net of bank overdrafts	**780**	458

[1] *Includes the settlement of interest of R400 million paid in the year which was capitalised in the prior year – refer note 6.1*

Reconciliation of earnings attributable to equity holders of the company to headline earnings

for the year ended 31 March

	2022 Reviewed Rm	2021 Audited Rm
Profit attributable to equity holders of the company	**1 405**	21
(Less)/add: Headline adjustments		
Gain on disposal of property, plant and equipment	**(2)**	(30)
Gain on disposal of assets classified as held for sale	**(11)**	–
Impairment of property, plant and equipment	**10**	12
Fair value adjustment of investment properties	**(10)**	67
Impairment reversal of intangible assets	**(298)**	(129)
Insurance claims for capital assets	**(20)**	–
Total tax effects of adjustments	**79**	27
Headline earnings/(loss)	**1 153**	(32)
Number and weighted average number of shares in issue (million)	**1 046**	1 046
Basic and diluted headline earnings/(loss) per share (cents)	**110.2**	(3.1)

Reconciliation of operating profit to EBITDA

for the year ended 31 March

	2022 Reviewed Rm	2021 Audited Rm
EBITDA pre-exceptional items is made up as follows:		
Operating profit	**2 676**	977
Add: Amortisation and depreciation	**783**	844
	3 459	1 821
(Less)/add: Headline adjustments	**(331)**	(80)
Gain on disposal of property, plant and equipment	**(2)**	(30)
Gain on disposal of assets classified as held for sale	**(11)**	–
Impairment of property, plant and equipment	**10**	12
Fair value adjustment of investment properties	**(10)**	67
Impairment reversal of intangible assets	**(298)**	(129)
Insurance claims for capital assets	**(20)**	–
EBITDA	**3 128**	1 741

Earnings before interest, tax, depreciation and amortisation and exceptional items ("EBITDA") excludes the effects of items that are regarded as unusual, are infrequent and are considered to distort the numbers if they were not adjusted (there were no adjustments in the current or prior periods to EBITDA), and headline adjustments in terms of Circular 1/2021 *Headline Earnings*.

Segmental analysis

for the year ended 31 March

There has been no change in the basis of segmentation or basis of measurement of segment profit or loss since the previous financial year end. The segment income and segment EBITDA for the year under review are as follows:

	Income[1]			EBITDA[2][3]		
	2022 Reviewed Rm	2021 Audited Rm	Change %	**2022 Reviewed Rm**	2021 Audited Rm	Change %
Casinos	**6 388**	4 074	57	**2 622**	1 487	76
Gauteng	**3 291**	2 124	55	**1 317**	750	76
KwaZulu-Natal	**1 806**	1 103	64	**796**	430	85
Mpumalanga	**507**	340	49	**192**	127	51
Western Cape	**494**	316	56	**230**	129	78
Eastern Cape	**204**	130	57	**61**	35	74
Free State	**86**	61	41	**26**	16	63
Bingo	**711**	476	49	**168**	103	63
LPMs	**1 687**	1 086	55	**510**	297	72
Other group operations	**152**	50	204	**(172)**	(146)	(18)
Group	**8 938**	5 686	57	**3 128**	1 741	80

[1] *All revenue and income from gaming and hotel operations is derived from external customers. No one customer contributes more than 10% to the group's total revenue and income*
[2] *Refer reconciliation of operating profit to EBITDA*
[3] *All casino units are reported pre-internal gaming management fees*

Disaggregation of revenue from contracts with customers

for the year ended 31 March

The group derives revenue over time, with the exception of food and beverage revenue which is recognised at a point in time. The group has no contract assets. The table below presents revenue by segment which excludes net gaming win and other income which are included in the segmental analysis as these are accounted for under different accounting policies. Disaggregation of revenue from contracts with customers for the year under review is as follows:

	Food and beverage recognised at a point in time		Rooms revenue recognised over time		Other revenue recognised over time		Revenue from contracts with customers	
	2022 Reviewed Rm	2021 Audited Rm	**2022 Reviewed Rm**	2021 Audited Rm	**2022 Reviewed Rm**	2021 Audited Rm	**2022 Reviewed Rm**	2021 Audited Rm
Casinos	**315**	118	**303**	125	**209**	66	**827**	309
Gauteng	**149**	50	**118**	44	**178**	48	**445**	142
KwaZulu-Natal	**78**	29	**68**	24	**10**	7	**156**	60
Mpumalanga	**38**	17	**76**	39	**9**	5	**123**	61
Western Cape	**28**	13	**20**	11	**6**	4	**54**	28
Eastern Cape	**18**	7	**21**	7	**5**	1	**44**	15
Free State	**4**	2	**–**	–	**1**	1	**5**	3
Bingo	**50**	23	**–**	–	**5**	2	**55**	25
LPMs	**–**	–	**–**	–	**3**	2	**3**	2
Other group operations	**–**	–	**–**	–	**2**	3	**2**	3
Group	**365**	141	**303**	125	**219**	73	**887**	339
Reconciliation to segmental analysis:								
Net gaming win							**7 779**	5 253
Revenue from contracts with customers per above							**887**	339
Other income							**272**	94
Total income per segmental analysis							**8 938**	5 686

Other revenue comprises mainly revenues from Theme Park, cinemas, other hotel revenue, venue hire, parking and other sundry revenue.

Other income comprises mainly property rentals and, in the current year, the group's business interruption insurance claim being the settlement of R111 million in respect of the negative impact of the COVID-19 pandemic on the group's trading and dividends received.

Notes to the reviewed condensed consolidated financial statements

1 BASIS OF PREPARATION

The Reviewed Condensed Consolidated Financial Statements for the year ended 31 March 2022 have been prepared in accordance with International Financial Reporting Standards ("IFRS"), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council ("FRSC"), IAS 34 *Interim Financial Reporting*, the Listings Requirements of the JSE Limited and the requirements of the Companies Act of South Africa 2008, as amended. Chief Financial Officer, G Lunga CA(SA), supervised the preparation of these condensed consolidated financial statements. The accounting policies applied in the preparation of these condensed consolidated financial statements are in terms of IFRS and are consistent with those applied in the previous consolidated annual financial statements for the year ended 31 March 2021 other than as described in note 2. These condensed consolidated financial statements should be read in conjunction with the annual financial statements for the year ended 31 March 2021, which have been prepared in accordance with IFRS. These condensed consolidated financial statements for the year ended 31 March 2022 have been reviewed by the company's auditors, PricewaterhouseCoopers Inc., and their unmodified review conclusion is included in this report.

In preparing these condensed consolidated financial statements, the significant judgements made by management in applying the group's accounting policies are similar to those detailed in the group's consolidated annual financial statements for the year ended 31 March 2021, other than as mentioned in this report.

2 CHANGES IN SIGNIFICANT ACCOUNTING POLICIES

The group has adopted all the new, revised or amended accounting standards which were effective for the group from 1 April 2021, including Interest Rate Benchmark Reform – Phase 2 (Amendment, effective for financial years beginning on or after 1 January 2021). No pronouncement had any material impact on the group.

3 STANDARDS ISSUED NOT YET EFFECTIVE

Other than as noted below, the group does not anticipate that any standards or amendments to existing standards that have been published and are mandatory for the group's accounting periods beginning on or after 1 April 2022 or later periods, which the group has not early adopted, would have a material impact on the group.

IFRS 17 *Insurance Contracts*

IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the standard. The objective of IFRS 17 is to ensure that an entity provides relevant information that faithfully represents those contracts. This information gives a basis for users of financial statements to assess the effect that insurance contracts have on the entity's financial position, financial performance and cash flows.

IFRS 17 was issued in May 2017 and applies to annual reporting periods beginning on or after 1 January 2023. The impact of IFRS 17 is currently being assessed but is not known at this time.

IAS 1 (Amendment) *Presentation of Financial Statements*

The amendment clarifies how to classify debt and other liabilities as current or non-current. IAS 1 amended must be applied for financial years commencing on or after 1 January 2023.

4 IMPAIRMENTS OF NON-CURRENT ASSETS

In terms of IAS 36 *Impairment of Assets,* the group assesses at the end of each reporting period whether there is any indication that an asset may be impaired, and assesses its goodwill and intangible assets with indefinite lives for impairment irrespective of whether there is any indication of impairment or not. The group makes estimates and assumptions concerning the future, with the significant estimates discussed below. Impairments and impairment reversals of non-current assets are shown separately in the income statement. Impairments of current assets are not significant and have therefore been included within "Other operating expenses" in the income statement.

4.1 Impairment reversals of non-current assets

	2022 Rm	2021 Rm
Impairment reversal of intangibles (note 4.4)	**298**	129

4.2 Impairment of non-current assets

	2022 Rm	2021 Rm
Impairment of property, plant and equipment	**(10)**	(12)

4.3 Goodwill

There were no impairments to goodwill during the year under review (2021: no impairments). A summary of the goodwill allocation is as follows per cash-generating unit ("CGU"):

	2022 Rm	2021 Rm
Montecasino	**273**	273
Suncoast	**890**	890
Golden Horse	**43**	43
Garden Route	**19**	19
Mykonos	**17**	17
The Caledon	**64**	64
Blackrock	**94**	94
Vukani	**61**	61
	1 461	1 461

Impairment test for goodwill and casino licences (refer note 4.4 for casino licences)

Goodwill and casino licences are allocated and monitored based on the group's CGUs. The COVID-19 pandemic continued to negatively affect the South African economy and the gaming and entertainment industry. The group's ability to trade during the year under review was adversely impacted by the closure of the group's businesses from 28 June 2021 to 25 July 2021. The country moved to adjusted alert level 2 lockdown on 13 September 2021 and to level 1 on 1 October 2021, resulting in the businesses gaining an extra hour of peak time trading with each adjustment. The gaming businesses were still required to close at midnight until 30 December 2021 when the curfew was lifted. The group's properties continued to trade under capacity limitations during the last quarter of the financial year. The group, however, still managed to achieve strong recoveries in income and EBITDA compared to the prior year, but still trading below pre-COVID-19 levels. These factors are taken into account in the impairment testing of goodwill and intangibles, being mainly casino licences, most of which are indefinite lived.

4 IMPAIRMENTS OF NON-CURRENT ASSETS continued

4.3 Goodwill continued

Significant estimate: key assumptions used for value-in-use calculations

The recoverable amount of the CGUs is determined based on the higher of the fair value less cost of disposal and value-in-use. These calculations use management-approved cash flow projections based on five-year forecasts. The expected capital cost spend in the CGUs is based on the historical experience of maintaining each property, taking into account current spend, limited to essential maintenance in order to preserve cash. Cash flows beyond the five-year period are extrapolated using the estimated long-term growth rate.

In light of the COVID-19 impact, the key assumptions used for value-in-use calculations were reviewed by management at the year end and estimated as follows:

- Trading assumptions – management forecast income, operating expenses and EBITDA margins are based on past and current performance and its expectations of market developments, taking into account the COVID-19 pandemic and the regulatory restrictions. The COVID-19 vaccine takeup has not been as high as anticipated, however it is expected that the COVID-19 pandemic will not be as severe as experienced in the third wave. A potential for a milder fifth wave has been considered in the forecast cash flows. Management has continued to focus on cost reductions and operational efficiencies during the year under review, resulting in a significantly reduced cost base compared to pre-COVID-19 levels. As the group gradually returns to a normal state after continuous restrictions affecting the business over an extended period, certain expenses, some of which are beyond the group's control (such as utility costs), will continue to increase, offsetting some of the savings initiatives achieved. Taking the aforementioned into account, the group's forecast models assume a strong recovery in trading during the 2023 financial year off a low base, mainly due to the lifting of trading restrictions and cost savings initiatives which result in improved EBITDA margins compared to pre-COVID-19 levels. As a result of this, forecast EBITDA has higher growth rates for 2023, levelling off to normal levels with effect from 2024;
- Risk-adjusted discount rate – the discount rate is calculated by using a weighted average cost of capital ("WACC") of the respective CGUs. WACC is calculated using a bond risk-free rate and an equity premium adjusted for specific risks relating to the relevant CGUs (share beta and small stock premium). The pre-tax discount rates have reduced marginally in comparison with the prior year due to a lower risk-free rate and the group's lower cost of debt. The group believes the discount rate will return to more normal levels over the medium term; and
- Long-term growth rate – cash flows beyond the first five-year period are extrapolated using estimated long-term growth rates in order to calculate the terminal recoverable amount. The growth rate estimations consider risks associated with the gaming and entertainment industry in which the CGUs operate and are consistent with forecast information specific to the gaming and entertainment industries in which each CGU operates. The group considers the long-term growth rate unchanged at 4.7% compared to 31 March 2021 due to the negative effects of COVID-19, offset by the gradual lifting of trading restrictions, the reopening of the economy and the effects of the government's vaccination programme.

4 IMPAIRMENTS OF NON-CURRENT ASSETS continued

4.3 Goodwill continued

Significant estimate: key assumptions used for value-in-use calculations continued

Based on the above, the significant unobservable inputs used in the group's value-in-use calculations for the CGUs as at 31 March 2022 are shown below:

- Expected net gaming win for the respective CGUs increases on average by 26% for the 2023 financial year, then levels out to normal trading growths of 3% over the following years (2021: Expected net gaming win for the respective CGUs increased on average by 7% for the 2023 financial year and then levelled out to normal trading growths of 3% over the following years);
- Expected operating expenditure costs increase on average by 22% for the 2023 financial year, then levels out to normal trading growths of 4% (2021: Expected operating expenditure costs increased on average by 9% for the 2023 financial year and then levelled out to normal trading growths of 4%);
- Long-term growth rate of 4.7% – unchanged; and
- Discount rates (pre-tax) as shown in the table below.

The following key assumptions have been used for the analysis of the respective CGUs:

	2022		2021	
	EBITDA margin (average) %	**Discount rate pre-tax %**	EBITDA margin (average) %	Discount rate pre-tax %
Montecasino	**41.3**	**18.5**	40.2	19.0
Suncoast	**36.8**	**18.3**	36.3	18.7
Gold Reef City	**33.4**	**18.5**	33.8	18.7
Silverstar	**35.4**	**19.5**	33.5	19.7
Other gaming operations[1]	**37.9**	**20.1**	39.9	20.4
Vukani	**31.1**	**23.9**	27.6	24.6

[1] *Includes the balance of the group's casino properties which have an allocation of goodwill*

Significant estimate – impact of possible changes in key assumptions

The group's impairment reviews are sensitive to changes in the key assumptions described above. Based on the group's sensitivity analysis, a reasonable possible change in a single assumption will not cause any impairment loss in any of the group's CGUs, as the group's CGUs have significant headroom available between the calculated values-in-use and the goodwill allocated to each CGU.

Significant estimate – impairment charges

Taking into account the revised assumptions, no further impairments to goodwill were deemed necessary since the previous reporting date (2021: no goodwill impairments recognised). This was mainly due to the five-year forecast cash flows reflecting a marginal improvement compared to those expected at 31 March 2021, together with the decrease in the respective discount rates.

4 IMPAIRMENTS OF NON-CURRENT ASSETS continued

4.4 Casino licences (included in "Other intangible assets")

	2022 Rm	2021 Rm
At 1 April	**2 842**	2 705
Additions	**2**	12
Acquisition of business	**–**	1
Amortisation charge	**(5)**	(5)
Impairment reversals	**298**	129
At 31 March	**3 137**	2 842
Cost	**4 565**	4 563
Accumulated amortisation	**(176)**	(171)
Accumulated impairments	**(1 252)**	(1 550)
Net carrying amount	**3 137**	2 842

Casino licences and related bid costs are made up as follows:

	2022 Rm	2021 Rm
Indefinite lives:		
Montecasino	**70**	70
Suncoast	**105**	105
Gold Reef City	**1 568**	1 418
Silverstar	**289**	147
Golden Horse	**554**	554
Garden Route	**252**	252
Mykonos	**215**	215
Goldfields	**39**	33
Galaxy	**13**	13
Other	**7**	7
Definite lives:		
Hemingways	**20**	23
Other	**5**	5
	3 137	2 842

4 IMPAIRMENTS OF NON-CURRENT ASSETS continued

4.4 Casino licences (included in "Other intangible assets") continued

Significant estimate – impairment charges and reversals

Taking into account the revised assumptions as described in note 4.3 *Goodwill*, the group recognised impairment reversals of R298 million made up of the Gold Reef City (R149 million), Silverstar (R142 million) and Goldfields (R7 million) precincts (2021: R129 million impairment reversals in respect of licences arising in the Gold Reef City (R29 million), Silverstar (R94 million) and Goldfields (R6 million) precincts). This was mainly due to the five-year forecast cash flows reflecting a marginal improvement compared to those expected at 31 March 2021, together with the decrease in the discount rate mentioned in note 4.3.

Significant estimate – impact of possible changes in key assumptions

The group's impairment reviews are sensitive to changes in the key assumptions described in note 4.3. Based on the group's sensitivity analysis, a reasonable possible change in a single assumption will not cause a material impairment loss in any of the group's CGUs, as the group's CGUs have significant headroom available between the calculated values-in-use and the intangible asset allocated to each CGU, other than the below CGUs.

The following reflects the impact (impairments) on casino licences if a reasonably possible change in a key assumption, on which the group has based its determination of the CGUs' recoverable amounts, would cause the CGUs' respective casino licence carrying amounts to exceed their recoverable amounts:

	2022			2021		
	1pp decrease in trading assumptions[(1)] Rm	**1pp decrease in growth rate assumption[(1)] Rm**	**1pp increase in discount rate assumption[(1)] Rm**	1pp decrease in trading assumptions[(1)] Rm	1pp decrease in growth rate assumption[(1)] Rm	1pp increase in discount rate assumption[(1)] Rm
Gold Reef City	**–**	**(23)**	**(88)**	–	(133)	(196)

[(1)] *Refer note 4.3 for key assumptions*

5 FAIR VALUE ESTIMATION

The group fair values its investment properties (categorised as level 3 values in the fair value hierarchy), fair value through other comprehensive income ("FVOCI") investments (categorised as level 3 values in the fair value hierarchy) and its derivative financial instruments (interest rate swaps categorised as level 2 values in the fair value hierarchy). There were no transfers into or out of level 3 for any fair value assets during the year under review.

5.1 Investment properties

	2022 Rm	2021 Rm
At 1 April	**350**	416
Additions to investment properties	**14**	1
Fair value adjustments recognised in profit or loss	**10**	(67)
At 31 March	**374**	350

5 FAIR VALUE ESTIMATION continued

5.1 Investment properties continued

The group rents out commercial office space at its investment properties. The group's investment properties have been categorised as level 3 values based on the inputs to the valuation technique used. The group has elected to measure investment properties at fair value. Fair values are estimated triennially by an independent appointed valuer who holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment properties being valued. For the intervening years, the fair values are estimated by management.

During the year under review, the group recognised a R10 million fair value gain (2021: R67 million fair value loss) on investment properties. The fair value of the group's investment properties is determined using capitalised values of the projected rental income together with assessments of development land. Vacancies are considered based on the historical and current vacancy factors as well as the nature, location, size and popularity of the properties. The outbreak of COVID-19 continues to negatively impact the South African economy resulting in increased vacancy rates. This impact has also been taken into account when determining the fair value of the group's investment properties. The fair value gain was as a result of the decreased capitalisation rates, offset by the increase in the vacancy rates.

At 31 March 2022 the significant unobservable inputs were as follows:

- Capitalisation rates applied to rental income vary between 9.25% and 9.50% (2021: varied between 10.0% and 10.5%), and
- Vacancy rates applied of between 10% and 15% (2021: 5% and 10%).

Inter-relationship between key unobservable inputs and fair value measurement are shown below. The estimated fair value would increase/(decrease) if:

- Expected rental income was higher/(lower);
- Expected vacancy rate was lower/(higher); and
- The capitalisation rate was lower/(higher).

The table below indicates the sensitivities of the aggregate investment property portfolio by increasing or decreasing value inputs by 1pp as follows:

	2022		2021	
	Increase Rm	**Decrease Rm**	Increase Rm	Decrease Rm
1pp change in the projected rental income	**3**	**(3)**	4	(4)
1pp change in the capitalisation rate	**(29)**	**36**	(27)	33
1pp change in the vacancy rate	**(4)**	**4**	(4)	4

Notes to the reviewed condensed consolidated financial statements *continued*

5 FAIR VALUE ESTIMATION continued

5.2 Financial asset at FVOCI

At the end of each reporting period, the group's 20% equity interest in each of SunWest International Proprietary Limited ("SunWest") and Worcester Casino Proprietary Limited ("Worcester") is remeasured, recognising the increase or decrease in other comprehensive income. The assets have been remeasured at 31 March 2022 to R814 million (2021: R675 million), a R139 million increase. A discounted cash flow valuation was used to estimate the fair values. The valuation models consider the present value of net cash flows to be generated from SunWest and Worcester, together with their operating capital expenditures taking into account expected growths in net gaming win and other revenues generated from non-gaming related activities. These cash flow forecasts are aligned to the financial reporting periods of the respective entities, being December. The expected net cash flows are discounted using a risk-adjusted post-tax discount rate. Among other factors, the discount rate estimation considers risks associated with the gaming and entertainment industry in which SunWest and Worcester operate. The fair value gain is as a result of the forecast cash flows increasing over what was estimated for the prior year based on casino operations reporting a recovery as lockdown restrictions gradually eased, together with recurring cost savings embedded during the entities' December 2020 and 2021 year ends, resulting in margins being maintained at historical levels. The cash flow forecasts used in the valuation anticipate that during SunWest and Worcester's December 2022 reporting period there will be a recovery in trading off a low base for December 2021 with relatively high gaming growth in 2023 and reaching normal growth rate levels from the 2024 December reporting period.

The significant unobservable inputs used in the fair value measurement of the group's investment in SunWest and Worcester are shown below (based on the respective entities December financial year ends):

- Expected income, including net gaming win, hotel rooms revenue and other income increases by 45% for 2022, and gradually levels out to normal trading growths of 3% over the following years (2021: Expected income, including net gaming win, hotel rooms revenue and other income increased by 13% for 2022, 11% for 2023 and then levelled out to normal trading growths of 3% over the following years);
- Expected operating expenditure costs increase by 24% and then levels out to normal trading growths of between 3% and 4% for the following years (2021: Expected operating expenditure costs increased by 7% for 2022, 17% for 2023 and then levelled out to normal trading growths of 4%);
- Risk-adjusted discount rate of 14.65% (2021: 14.83%) post-tax; and
- Long-term growth rate of 4.7% (2021: 4.7%).

The table below indicates the sensitivities for the valuation by increasing or decreasing the above inputs by 1pp:

	2022		2021	
	Increase Rm	**Decrease Rm**	Increase Rm	Decrease Rm
Expected net gaming win growth	**79**	**(75)**	48	(47)
Operating expenditure cost growth	**(39)**	**38**	(36)	35
Risk-adjusted discount rate	**(76)**	**92**	(68)	83
Long-term growth rate	**69**	**(56)**	60	(49)

5 FAIR VALUE ESTIMATION continued

5.3 Interest rate swaps

The fair value of the group's derivatives used for hedge accounting is a non-current liability of R82 million (2021: R271 million of which the R43 million current portion was included within "Trade and other payables" in the balance sheet) and is calculated as the present value of the estimated future cash flows based on observable yield curves, which is consistent with the prior year. The reason for the decrease in the liability is due to an increase in market-related interest rates since the previous year end, as well as the settlement of swaps with a notional amount of R4 billion during the year under review. No amount has been expensed in profit or loss due to ineffectiveness of the group's derivatives for the year under review (2021: Rnil).

6 CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

6.1 Borrowings

Changes arising from interest-bearing borrowings, excluding bank overdrafts from short-term borrowings of R72 million (2021: R58 million), are as follows:

	Non-current Rm	Current Rm	Total Rm
At 1 April 2021	**10 300**	**949**	**11 249**
Borrowings repaid	**–**	**(1 170)**	**(1 170)**
Borrowings reclassification to current	**(2 900)**	**2 900**	**–**
Interest raised for the year	**–**	**585**	**585**
Interest paid during the year[(1)]	**–**	**(985)**	**(985)**
At 31 March 2022	**7 400**	**2 279**	**9 679**

	Non-current Rm	Current Rm	Total Rm
At 1 April 2020	11 200	530	11 730
Borrowings raised	600	50	650
Borrowings repaid	(700)	(800)	(1 500)
Borrowings reclassification to current	(800)	800	–
Interest raised and capitalised[(2)]	–	400	400
Interest raised for the year[(2)]	–	257	257
Interest paid during the year[(2)]	–	(288)	(288)
At 31 March 2021	10 300	949	11 249

(1) *Includes interest capitalised pursuant to the agreement reached with the lenders during the prior financial year, of R400 million*
(2) *Disaggregated interest capitalised, raise and paid*

Notes to the reviewed condensed consolidated financial statements *continued*

6 CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES continued

6.2 Lease liabilities

Changes arising from lease liabilities are as follows:

	Non-current Rm	Current Rm	Total Rm
At 1 April 2021	**266**	**40**	**306**
New leases raised	**56**	**5**	**61**
Lease finance costs – non-cash portion	**–**	**4**	**4**
Principal elements of lease payments	**(4)**	**(27)**	**(31)**
Remeasurement of leases	**(9)**	**24**	**15**
Termination of leases	**–**	**(4)**	**(4)**
Lease concessions practical expedient applied	**–**	**(14)**	**(14)**
Reclassification to current	**(14)**	**14**	**–**
At 31 March 2022	**295**	**42**	**337**

	Non-current Rm	Current Rm	Total Rm
At 1 April 2020	232	91	323
New leases raised	54	8	62
Lease finance costs – non-cash portion	–	16	16
Acquisition of subsidiary	4	2	6
Principal elements of lease payments	(3)	(21)	(24)
Remeasurement of leases	1	1	2
Termination of leases	(3)	(9)	(12)
Lease concessions practical expedient applied	(1)	(66)	(67)
Reclassification to current	(18)	18	–
At 31 March 2021	266	40	306

7 RELATED PARTY TRANSACTIONS

The group had no significant related party transactions during the year under review, nor entered into any new significant related party transactions during this period, other than as mentioned below and in note 10.

The group operates a short-term insurance cell captive for its own account, and also underwrites short-term insurance business for the Tsogo Sun Hotels Limited ("THL") group. The THL business is only covered to the extent of the run-off business remaining as, subsequent to the prior year end, THL and its subsidiaries exited the group's insurance cell captive for their insurance requirements. Claims payable to THL of R179 million were settled during the period under review, including the business interruption claims of R177 million which were recognised previously.

8 CAPITAL COMMITMENTS

A total of R120 million for maintenance capital items, which is anticipated to be spent during the next 12 months, has been contracted for.

The group has entered into agreements in order to acquire a 55% shareholding in a small gaming operator for an amount not exceeding R232 million. This transaction is still subject to regulatory approvals. The conditions precedent were not met as at the date of this report.

9 GOING CONCERN

Despite over two years of various restrictions and closures affecting the business, the group was within its original net leverage covenants for the 12 months ended 31 March 2022. The group experienced a strong recovery in the second half of the year under review, following the lockdown imposed from 28 June 2021 to 25 July 2021. The net debt to adjusted EBITDA ratio for the year, as measured for covenant purposes, amounted to 2.89 times, the required covenant being less than 3.0 times. The additional conditions that arose as a result of the covenant reset fell away from 1 April 2022, including reporting to the lenders on a monthly basis, the requirement of a business plan if a material part of the business is locked down for 30 days cumulatively, the limitations around permitted acquisitions and no further quarterly margin ratchet. At the date of this report, the directors are not aware of any circumstances whereby the group should not be able to achieve the original covenant requirements for September 2022.

The cash flow and liquidity projections for the group were prepared for a period exceeding 12 months from the reporting date and included performing sensitivity analyses. Based on the forecast performed, the directors are of the opinion that the group has sufficient access to liquidity and facilities to fund operations for the ensuing 12 months. Although current liabilities exceed current assets at 31 March 2022, the group's forecast reflects that it will generate sufficient cash flows during the period to meet all trading liability obligations.

The group reduced its net interest bearing debt and guarantees significantly from the R10.9 billion at 31 March 2021 to R9.0 billion at 31 March 2022 under difficult, restrictive trading conditions. The group's focus remains on reducing its medium to long-term debt levels, thereby reducing risk and funding costs.

After taking the above factors into account, the directors consider the going concern method to be appropriate for the presentation of these condensed consolidated financial statements.

10 EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

The directors are not aware of any matters or circumstances arising since the end of the reporting period, not otherwise dealt with within these condensed consolidated financial statements that would affect the operations or results of the group significantly, other than as mentioned below.

Subject to certain conditions precedent, Tsogo Sun Gaming and its subsidiaries concluded a separation agreement with regards to the termination of the management of 15 of its hotels by THL for a cost of R399 million, and the disposal of its remaining two hotels to the Hospitality Property Fund (a subsidiary of THL) for a total consideration of R142 million (carrying value R57 million). In terms of the separation agreement, the respective management and licence agreements may be cancelled on a month's notice and these hotels will accordingly be incorporated into the group's own management and operational structure. These transactions are considered related party transactions with the company's ultimate controlling shareholder being Hosken Consolidated Investments Limited ("HCI"), and HCI also being a major shareholder of THL. The agreements, which were concluded in May 2022, are considered non-adjusting events in terms of IAS 10 *Events after the Reporting Period*.

Forward-looking statements

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 performance of the company cannot be relied on as a guide to future performance. Forward-looking statements speak only as at the date of the full 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*. The group neither accepts any responsibility for any loss arising from the use of the information contained in this report nor undertakes to update or revise any of its forward-looking statements publicly.

DIRECTORS

JA Copelyn (Chairman)*
CG du Toit (Chief Executive Officer)
G Lunga (Chief Financial Officer)
MJA Golding** BA Mabuza (Lead Independent)**
F Mall** VE Mphande** Y Shaik* RD Watson**
*(*Non-executive Director **Independent Non-executive Director)*

COMPANY SECRETARY

Tsogo Sun Casino Management Company Proprietary Limited

REGISTERED OFFICE

Palazzo Towers East, Montecasino Boulevard, Fourways, 2055
(Private Bag X200, Bryanston, 2021)

TRANSFER SECRETARIES

JSE Investor Services Proprietary Limited,
13th Floor, Rennie House, 19 Ameshoff Street, Braamfontein, 2001
(PO Box 4844, Johannesburg, 2000)

EQUITY SPONSOR

Investec Bank Limited,
100 Grayston Drive, Sandton, 2196
(PO Box 785700, Sandton, 2146)

DEBT SPONSOR

Nedbank Corporate and Investment Banking, a division of Nedbank Limited,
3rd Floor, Block F, 135 Rivonia Campus, 135 Rivonia Road, Sandown, Sandton, 2196
(PO Box 1144, Johannesburg, 2000)