

**Southern Sun Limited**

Incorporated in the Republic of South Africa

Registration number 2002/006356/06

Share Code: SSU ISIN: ZAE000272522

("Southern Sun" or "the Company" or "the Group")

PREPARED COMMENTS FOR THE 2024 RMB MORGAN STANLEY INVESTOR CONFERENCE, THE SOUTHERN SUN ANNUAL GENERAL MEETING AND A PRELIMINARY TRADING UPDATE FOR THE SIX MONTHS ENDING 30 SEPTEMBER 2024

Ahead of the Company's participation in the 2024 RMB Morgan Stanley Investor Conference from 18 to 19 September 2024 as well as the Southern Sun Annual General Meeting scheduled for 10h00 on 20 September 2024, the following information is released in the interest of all shareholders. The slide deck to be presented at the 2024 RMB Morgan Stanley Investor Conference has been published on the Company's website at www.southernsun.com/investors.

Trading volumes have improved marginally for the first five months of the financial year ending 31 March 2025, with Group occupancy at 57.1%, 1.2pp ahead of the 55.9% achieved in the prior comparative period. Similarly, the Group's average room rate has increased by 1.7% for the five-month period ending August 2024 compared to the prior comparative period.

These subdued trading statistics are attributable to three main factors. Firstly, the 15th BRICS Summit hosted at the Sandton Convention Centre during August 2023, and which led to substantial demand for accommodation at the surrounding hotels, did not repeat in the current financial year.

Secondly, the closure of Southern Sun The Cullinan for June 2024 and the Sandton Towers from 26 April 2024 to the end of the interim reporting period reduced the Group's available room stock, negatively impacting occupancy and rate and consequently, revenue. These closures are necessary to complete major refurbishments that will relaunch these flagship properties as premium hotels in their respective markets.

Finally, there was a slow-down in travel and accommodation demand from the Corporate, Government and Leisure segments in the leadup to the National Elections in May 2024. While Corporate and Leisure demand returned post-elections, the Government segment has been slower to normalise which we anticipate will happen during the second half of the financial year. Recent announcements by the Department of Home Affairs regarding the simplification of Visa processes are encouraging developments for the South African tourism industry.

Despite the modest revenue growth in the first half, which is traditionally the Group's quieter period, savings in finance costs as a consequence of the significant reduction in debt levels together with the reduced number of shares in issue following the share buyback implemented in the second half of the 2024 financial year, has meant that Earnings per share, Headline earnings per shares and Adjusted headline earnings per share for the six months ended 30 September 2024 are all expected to be at least 20% higher than the prior comparative period.

This guidance is based on management accounts to 31 August 2024 and an estimate of September trading and excludes any potential impact of management's assessment of investment property fair values or impairments or reversal of impairments of property, plant, and equipment.

Further updates will be provided to shareholders in due course and Southern Sun is currently scheduled to release its financial results for the six months ending 30 September 2024 on or about 21 November 2024.

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

18 September 2024

Sponsor
Investec Bank Limited