

**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 AVIOR 2025 ANNUAL CORPORATE SUMMIT AND PRELIMINARY TRADING UPDATE FOR THE YEAR ENDING 31 MARCH 2025

Ahead of the Company's participation in the Avior 2025 Annual Corporate Summit from 25 to 26 March 2025, the following information is released in the interest of all shareholders.

Trading volumes have improved during the second six months of the financial year with Group occupancy at 60.7% for the 11 months ending 28 February 2025, 2.4pp ahead of the 58.3% achieved in the prior comparative period while the Group's average room rate has increased by 5.1% for the same 11 months ending February 2025 compared to the prior comparative period.

Positive contributors to this performance include strong trading in the Western Cape and growth in Gauteng, albeit off a low base. The refurbishments of Southern Sun The Cullinan and the Sandton Towers which re-opened in July 2024 and December 2024 respectively as well as the refurbishment of the restaurant and rooms at Southern Sun Rosebank and Southern Sun Sandton have been well received by the market and have contributed to the occupancy and rate growth experienced in Cape Town and Gauteng in the second half of the financial year.

Detractors from the stronger Group performance over the 11 months ending 28 February 2025 include Kwa-Zulu Natal and Mozambique. Domestically, 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 but showing improvement during the third quarter of the financial year. In addition, a lack of Eventing demand at the Durban International Convention Centre has negatively impacted trading at the Group's Durban hotels. In contrast, trading in Umhlanga has been buoyant. In Mozambique, political unrest and rioting in Maputo which began in November 2024 has severely impacted demand at the Southern Sun and Stay Easy hotels. While the unrest has subsided post the inauguration in January 2025 and the hotels are in a relatively safe area surrounded by embassies and related security, occupancies have been slow to recover.

Disciplined cost control has generated strong cash flows over the period, reducing net interest-bearing debt. The consequential savings in finance costs 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 year ended 31 March 2025 are all expected to be at least 20% higher than the prior comparative year.

This guidance is based on management accounts for the 11 months ending 28 February 2025 and an estimate of March 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 year ending 31 March 2025 on or about 21 May 2025.

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

24 March 2025

Sponsor
Investec Bank Limited